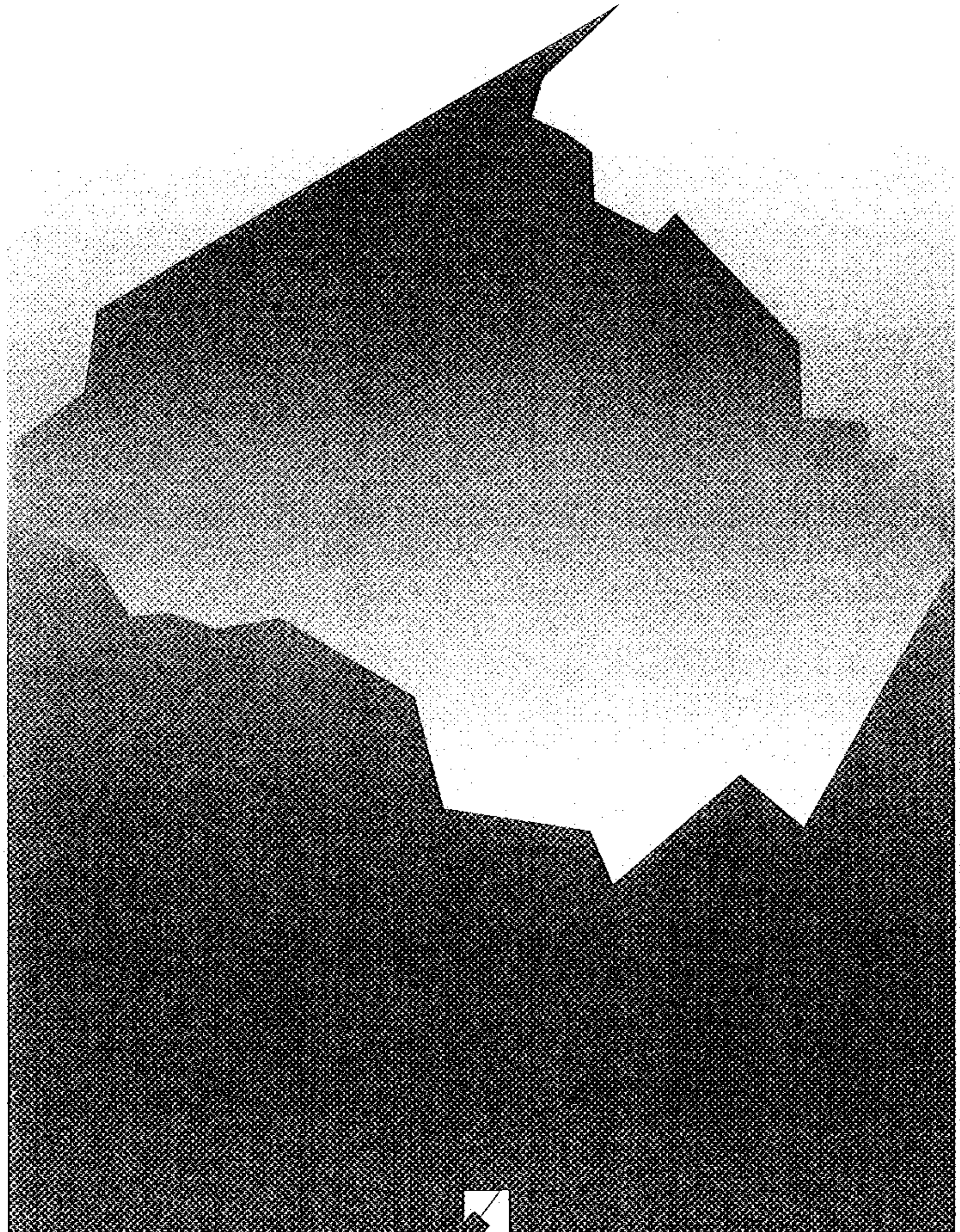
MARCH 2002

Economic Forces that Shape Montgomery County

UPDATE 2002



RESEARCH AND TECHNOLOGY CENTER

MONTGOMERY COUNTY DEPARTMENT OF PARK AND PLANNING

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Economic Forces That Shape Montgomery County

Annual Update 2002

March 2002

Produced by

Research & Technology Center
Montgomery County Department of Park and Planning
Maryland-National Capital Park and Planning Commission

with

RESI Research & Consulting
Towson University

Abstract

Title:	Economic Forces That Shape Montgomery County: Annual Update 2002
Author:	Montgomery County Department of Park and Planning Maryland - National Capital Park and Planning Commission
Subject:	Economic Indicators of the Health of Montgomery County's Economic, Focusing On Job Growth, Federal Impact, Commercial Space Activity, and the Housing Market
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Abstract:	*Economic Forces That Shape Montgomery County* is an annual report started in the mid-1990s when there was concern about Montgomery County's slow recovery from the 1991 recession. The report includes information not available elsewhere, especially: trends in high-technology employment sectors; trends in federal government activity as an employer, as a landlord and tenant, and as a purchaser of goods and services; trends in the commercial space market; and, in this edition, trends in the housing market.

THE MARYLAND-NATIONAL CAPITAL PARK & PLANNING COMMISSION

The Maryland-National Capital Park & Planning Commission is a bi-county agency created by the General Assembly of Maryland in 1927. The Commission's geographic authority covers most of Montgomery and Prince George's counties. The Commission's planning jurisdiction, the Maryland-Washington Regional District, comprises 1,001 square miles; its parks jurisdiction, the Metropolitan District, comprises 919 square miles.

The Commission has three major functions:

(1) The preparation, adoption, and, from time to time, amendment or extension of The General Plan (On Wedges and Corridors) for the Physical Development of the Maryland-Washington Regional District Within Montgomery and Prince George's Counties.

(2) The acquisition, development, operation and maintenance of a public park system.

(3) In Prince George's County only, the operation of the entire County public recreation program.

The Commission operates in each county through a Planning Board appointed by and responsible to the county government. The Planning Boards are responsible for preparation of all local master plans, recommendations on zoning amendments, administration of subdivision regulations, and general administrations of parks.

The Maryland-National Capital Park & Planning Commission encourages the involvement and participation of individuals with disabilities, and its facilities are accessible. For assistance with special needs (e.g., large print materials, listening devices, sign language interpretation, etc.), please contact the Community Relations Office, 301-495-4600 or TDD 301-495-1331.

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Economic Forces That Shape Montgomery County
Annual Update 2002

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About *Economic Forces That Shape Montgomery County*

Economic Forces That Shape Montgomery County is an annual report started in the mid-1990s when there was concern about Montgomery County's slow recovery from the 1991 recession. The first report found slow growth but very healthy fundamentals. Since then, each subsequent report has found somewhat more rapid growth, whereupon last year we were able to conclude that the economy very healthy, growing at a rapid but manageable pace.

The *Economic Forces* studies seek to support the Montgomery County Council's economic analysis needs, particularly during preparation of the budget and when evaluating economic development initiatives or regulatory proposals. To accomplish this, the Research & Technology Center works closely with the Department of Finance and the Department of Economic Development, relying upon them for guidance in identifying economic trends and for suggestions on how to improve the usefulness of the report. Such collaboration helps eliminate duplication of effort while helping to assure that even though opinions may differ, the information underlying those opinions is consistent and valid.

Possibly the major value of each *Economic Forces* update is that a review of the trends indicates issues that deserve more in-depth study. In the past, such studies have included a study of Class B & C office space, a commercial sites characteristics inventory, a just-completed in-depth look at Montgomery County's biotechnology industry, and an upcoming housing study.

Developing the in-house expertise required to complete the *Economic Forces* update has strengthened the Research & Technology Center's ability to support master plan development and to respond quickly and thoroughly when policy questions arise, such as debates on the Annual Growth Policy, affordable housing, elderly housing, and other issues.

At the request of the Department of Economic Development – a request that has been echoed by others – the Research & Technology Center completed last year an in-depth report on the information technology and telecommunications industries, similar to the previous year's biotechnology industry report. This year the research & Technology Center is preparing an update to our 1993 Shopping Center directory and our inventory of land available for non-residential construction.

Review of Economic Indicators

Although each annual update of *Economic Forces That Shape Montgomery County* has one or more special features[1], there are three core areas that updated each year:

- **Job Growth:** This section consists of a review of statistics on jobs created or lost by each industry in Montgomery County, compared to the state and the nation, with special emphasis on the County's technology sectors. This section relies on ES-202 data compiled by each state and reported to the U.S. Bureau of Labor Statistics. These data are tabulated by RESI at Towson University for the Research & Technology Center staff in a format that RESI originally developed to for their own analyses of state and regional economies.

- **Federal Impact:** By far the largest single influence on Montgomery County's economy is the Federal government: as an employer, as a landowner, as a tenant, and as a purchaser of goods and services. Each year, Research & Technology Center staff survey each Federal installation in the County about current and expected employment changes, construction plans, and space leasing activities. Research staff also analyze federal purchasing and contracting activity using data supplied by the Federal Procurement Data Center.

- **Commercial Space Activity:** The relationship of economic trends to the pace and character of development is of particular interest to officials and staff making land use decisions. One of the major questions addressed by the first *Economic Forces That Shape Montgomery County* report focused on understanding the collapse of the commercial space market that occurred during the 1990-91 recession. Subsequent reports have focused on tracking and understanding the market's recovery as well as looking for signs of pending weakness.

For the past several years, the *Economic Forces* reports have included "measures of well-being" which attempted to measure how economic trends are affecting the well-being of County residents. However, many of the data that best describe well-being are not easily obtainable or are not reported annually. As a result, the annual *Economic Forces* reports have contained updates all of the measures of economic well-being for which new data were available. In last year's presentation to the Planning Board and the

[1] Special features in the 2001 Update included a report by RESI on the vulnerability of Montgomery County's economy to the expected economic slowdown in the second half of 2001. The 2000 Update included a profile of the labor force and a review of measures of well-being (completed in conjunction with a study of the use of "quality of life" indicators). The next opportunity for a review of labor force demographics will be upon release of more detailed 2000 Census data.

County Council, the sentiment was expressed that this has resulted in a grab-bag of indicators that do not give a particularly good picture of how economic trends are affecting County residents. The Research & Technology Center's strategy to remedy that criticism is to focus each year on an aspect of well-being that we can explore in a meaningful way.

This year, *Economic Forces* includes a report on the County's housing market from the perspective of County residents – those who are, or intend to be, homeowners or tenants in the County. There is no question that housing plays an important role in the well-being of County residents. Those who are looking to buy or rent are concerned about affordability and availability. Those who are already housed are affected both positively and negatively by increases in the value of their homes or by upward pressure on rents. Housing issues relate very closely to other economic indicators typically reported in *Economic Forces*, especially income growth and job growth,

The strength of the housing market was one of the major economic stories of the past year nationally, regionally, and locally According to a recent *BusinessWeek* article, the number of home sales in the Washington, DC area grew by more than 19 percent – the highest increase of any metro area surveyed by the magazine. The strong market boosted economic activity in a variety of ways, one of which was by creating wealth for homeowners during a period when other investments (savings, the stock market) were not so lucrative.

Through the next year, staff will have 2000 Census "long-form" data which will allow us to explore well-being issues in great detail. Staff has not settled on a well-being related topic for next year's *Economic Forces* report, but a strong contender is to update a profile of the County's labor force.

Job Growth

Montgomery County added 10,314 jobs between the first quarter of 2000 and the first quarter of 2001 for a growth rate of 2.4 percent. That is a much slower rate than the 4.0% growth rate (16,938 jobs) recorded between the first quarters of 1999 and 2000. While 2.4 percent is not unhealthy, job growth continued to slow in the second quarter to 1.9 percent.

Last year's (March 2001) edition of *Economic Forces That Shape Montgomery County* reported annual job growth of 20,464 jobs in the second quarter of 2001, which was larger than any annual increase in the 1990s and the fourth straight year of healthy job growth. That report expected job growth to slow over the next year.

Between the first quarters of 2000 and 2001, private sector jobs grew by 8,666 or 2.4 percent. The services sector accounted for 69 percent of private sector job growth, up from 55 percent the previous year but nearly equal the 1999 percentage of 70 percent. The services sector added the most jobs (5,997) between the first quarters of 2000 and 2001. The transportation, communications and public utilities sector had the fastest job growth *rate* of any major sector: 6.9 percent, which translates into 917 new jobs. Last year, the construction sector was had the highest growth rate, at 11.9 percent. Although none of the County's major sectors had job losses, both trade and manufacturing had small percentage losses of less than one percent. These decreases were small compared to the previous years' increases in each category.

In most cases, second quarter data show continued slowing in each major industrial category. A typical example is the services sector, for which the job growth rate slowed from 3.3 percent in the first quarter of 2001 to 3.0 percent in the second.

Until this year, public sector job growth has been significantly slower than private sector job growth. However, between the first quarters of 2000 and 2001, public sector job growth (at 2.1 percent) was only slightly slower than private sector growth at 2.4 percent. However, comparing the second quarters of 2000 and 2001 shows that public sector job growth (at 2.8 percent) was outpacing the private sector's growth rate of 1.7 percent. Federal government jobs grew by 1.1 percent in the year ending in the first quarter of 2001 (445 new jobs) and accelerated slightly in the year ending in the second quarter of 2002 to 1.7 percent (684 new jobs).

The High Tech Sectors

Even at the current slower growth rate, a past trend continues to be true: Montgomery County's high technology sectors -- aerospace, biotechnology, information technology, telecommunications, and high-tech manufacturing – are growing more than twice as fast as the economy as a whole. High tech jobs grew by 5.9 percent between the first quarters of 2000 and 2001, while the growth rate for all sectors was 2.4 percent. There are now 80,500 private sector high technology jobs in Montgomery County, which is 22 percent of all private sector jobs in the County.

The 80,500 figure does not include the many *public* sector high tech jobs in Montgomery County, including those at federal installations such as the National Institutes of Health, the National Institute for Standards and Technology, and the Department of Energy.

Montgomery County's 5.9 percent growth rate for high tech jobs modestly outpaces the 5.0 percent growth rate for the state of Maryland and the 5.2 percent growth rate for the nation.

For the first half of the 1990s, Montgomery County's information technology sector underperformed the region, state, and nation. Beginning in the final months of 1996, the reverse has been true. In 1998, the information technology sector grew by 10 percent; in 1999, by 14.4 percent; and in 2001, by 10.5 percent. However, for the year ending in the first quarter of 2001, the growth rate was 6.9 percent. This is again behind the State of Maryland's 8.5 percent and the nation's 7.4 percent growth rates. In the first quarter of 2001, there were about 27,800 information technology jobs in Montgomery County.

A signature industry for Montgomery County is biotechnology. For much of 1998 and 1999, the number of jobs in this sector hovered between 10,000 and 11,000. Between 1999 and 2000, however, the number of jobs jumped 14.2 percent to 12,166. Between 2000 and 2001, the growth rate slowed to 6.9 percent, which is still well ahead of the state and the nation as a whole. Montgomery County now as about 12,400 biotechnology jobs.

Montgomery County's aerospace industry continues to grow strongly. Job growth for the year ending in the first quarter of 2001 was 4.9 percent. In 2000, Montgomery County regained all of the aerospace industry jobs it had lost since its peak of 17,800 in 1989. Montgomery County's aerospace industry now has 18,800 jobs.

Telecommunications continued to be a high-growth sector for Montgomery County in the year ending in the first quarter of 2001. Telecommunications jobs grew 7.2 percent to 13,325. This is ahead of the state rate of 6.4 percent and the growth rate for the nation (3.9 percent). Telecommunications was a high-growth sector for Montgomery County in the early 1990s, a period when few other sectors were adding many jobs. Beginning in 1994, however, growth stalled, and the industry added few jobs until 1998, when job growth took off.

High tech manufacturing in Montgomery County consists of companies manufacturing industrial machinery, electronic equipment, transportation equipment, and instruments and measuring devices. At 8,200 jobs, the sector is relatively small. Between 1988 and 1992, the sector lost 20 percent of its jobs, but has been growing steadily ever since. As of the first quarter of 2000, jobs in the sector were growing at a 2.3 percent rate even as the state and nation were showing small decreases.

Other Top Performing Sectors

"Business services" is a major component of the County's large services sector. Business services encompasses computer and data processing, advertising, personnel, mail and reproduction, and services to buildings. Because it includes firms that literally "serve businesses," growth in this sector is a good indicator of economic strength.

Montgomery County's business services sector grew by 4,722 jobs, or 8.2 percent, between the first quarters of 2000 and 2001. While still strong, this is about half the rate of growth reported in the previous edition of *Economic Forces*. There are now 62,150 business services jobs in Montgomery County. Montgomery County's performance compares favorably to the 5.2 percent growth rate for the state and the 2.3 percent growth rate for the nation.

Engineering and management services is a sector that includes engineers, architects, accountants and management consultants and is Montgomery County's second largest sector, having just surpassed health services in 2000. It also the sector adding the second largest number of new jobs after business services. Engineering and management services added 1,800 new jobs between the first quarters of 2000 and 2001, a growth rate of 5.5 percent. There are now 34,900 engineering and management services jobs in Montgomery County.

Another Montgomery County "signature" industry is the hotel and lodging sector because we are home to the headquarters of two of the nation's leading hotel corporations, Marriott and Choice. In the second half of the 1990s, job growth in this sector had been very rapid, average 15 percent per year between 1997 and 1999. In 1999, however, job growth reached a plateau of about 8,400 jobs. The number of County jobs in this sector grew to 8,691 by the first quarter of 2001, an annual rate of 1.5 percent. These figures, of course, do not reflect the impact of September 11 on the hotel and lodging industry.

The highest-paying sectors in Montgomery County are: chemicals (1,044 jobs; average wage: $228,000), security and commodity brokers (3,100 jobs; average wage: $147,000), transportation equipment (775 jobs; average wage: $137,000), and holding and investment offices (434 jobs; average wage: $113,000). These are followed by two insurance-related sectors: insurance carriers: 6,000 jobs; average salary $98,000) and insurance agents and brokers (2,700 jobs; average salary $95,000). Other top-paying sectors with more than 5,000 jobs: communications (7,400 jobs; average wage $80,000); electronic equipment (5,600 jobs; average wage $80,000), and wholesale trade in durable goods (10,000 jobs; average wage $75,000).

The average salary paid by a Montgomery County job in the first quarter of 2001 was $46,000 per year. The average private sector job pays about $45,000 while the average public sector job pays $49,000. The comparatively higher salaries paid by the public sector are due to federal government salaries, which average $59,000. Local government jobs pay an average of $38,500 while state government jobs pay an average of $34,000. Of the major private sectors, retail trade jobs pay the lowest average wages, about $21,500 per year.

Job Growth Statistics in Perspective

Last year's Economic Forces report suggested that second quarter 2000 job growth statistics -- among the healthiest ever recorded by the County – were likely to be a peak. The report anticipated that a mild slowdown in job growth would occur, followed by relatively quick rebound. That appears to be what has happened.

The Research & Technology Center notes that there are two major factors which affect the usefulness of the job growth data in this year's Economic Forces report. The first is that the most recent data end in mid-2001, prior to the September 11 terrorist attacks. Because the rest of the economic indicators tracked by the Economic Forces study are more up-to-date, readers may wish to give greater weight to those indicators this year.

A second issue is that there has been a major technical change to the reporting of job growth data. Beginning in January of 2001, the State of Maryland reports job growth with a new method of classifying types of jobs (which is being adopted throughout North America. The new classifications, called NAICS (for the North American Industry Classification System) replaces the old SIC (Standard Industrial Classification) codes and is being adopted throughout North America. The State's change means that the 2001 data that they are reporting is not comparable to previous years.

The Research & Technology Center have addressed this issue with the assistance of RESO at Towson University, which developed a methodology for converting data classified by the NAICS system back into the SIC system. Although we believe that the RESI methodology is valid, the conversion means that the trends reported for each sector are estimates.

RESI recommends, and the Research & Technology Center agrees, that next year the *Economic Forces* job growth analysis will convert to the NAICS system, which has some significant benefits. The NAICS system is better at tracking the type of jobs that comprise the majority of Montgomery County jobs: high-tech, services sector jobs. The new reporting system will likely result in new estimates for job totals in many categories.

Federal Impact

The federal government plays three very important roles in Montgomery County's economy: it is an employer, it is a tenant and landowner, and it is a purchaser of goods and services.

As an employer, the federal government is a major source of income for Montgomery County residents and workers in the County. During fiscal year 2000, the federal government paid workers in the County $3.2 billion in wages and salaries. It also paid County residents $2.5 billion in direct payments to individuals for retirement and other benefit programs.

Survey of Agencies

The main change from last year's survey of thirteen federal agencies and installations is the National Institute of Health's (NIH) more bullish forecast of future employment. NIH now anticipates employing 34,000 workers in 2015, an increase of 27 percent or 7,250 workers over their last year's forecast. The big change is in their need for workers in leased space. NIH's new forecast has their employment in leased space nearly doubling between 2002 and 2015, going from 6,500 workers to 12,900 workers. Their forecast last year was for a 10 percent increase in leased space employment during the same period. Their new forecast also has more workers at their campus by 2015, 21,100 compared to 19,800 in their old forecast. This increase in future employment at NIH is important because NIH is one of the County's major economic engines.

Collectively, the agencies surveyed anticipate job levels increasing by 11 percent (6,700 jobs) in the next 3 years reaching a total of 65,500 workers in 2005. If this forecast holds, it would be the first time workers at these agencies would exceed 60,000 since 1994 when they reported a total of 61,400 workers. They anticipate job increases of 10 percent between 2005 and 2015 when workers at these agencies will number about 72,000.

Given the federal policy of shifting workers from leased space to owned space, workers at federally owned space are expected to increase by 13,800 between 2002 and 2015, and workers in federally leased space are expected to decline by 600. The main shift from leased to owned space will be the FDA's consolidation at their facility in White Oak and the anticipated purchase of the NOAA buildings by the federal government. The main reason for the small decline in leased space is NIH forecasting the need for about 5,900 more workers in leased space in 2015 than they forecast a year ago.

Federally Leased Space

Federally leased space has remained relatively unchanged since December 1999. The General Services Administration (GSA) leases 6.6 million square feet of space in Montgomery County, about 12 percent of the County's existing rentable office space. Over half of this space, 66 percent or 4.4 million square feet, is leased by the Department of Health and Human Services. The Department of Commerce is the only other agency leasing more than 1 million square feet. Its 1.1 million square feet of leased space is 17 percent of GSA's inventory in the County.

Over half of GSA's leased space is in the Rockville area, which includes most of North Bethesda. GSA leases 3.6 million square feet of space in the Rockville area, 55 percent of their County inventory. Two other areas have over 1 million square feet of GSA leased space: Silver Spring has 1.2 million square feet (19 percent) and Bethesda has 1 million square feet (16 percent).

About 25 percent of GSA's leased space, 1.6 million square feet, is up for renewal in the next 3 years (2002-2004). Health and Human Services occupies 74 percent of this space. About 65 percent of this space is in the Rockville area. Half of this space is in Class B office space; only 1 lease is in Class C space (16,000 sq. ft.). If recent history is any indication, GSA will likely renew the leases on most of this space. GSA would like to renew most leases because moving means relocation costs. The main reasons for not renewing leases are: consolidating into government owned space, not needing the space due to changes in work programs or employment levels, and buildings becoming too old and out dated. Between January 2000 and March 2002, 10 percent of GSA's inventory (662,000 sq. ft.) was up for renewal. GSA renewed 74 percent of this space and added an additional 139,500 square feet to its inventory with leases at new locations. After small changes to other leases, GSA's total inventory increased by about 7,000 square feet between January 2000 and March 2002.

Federal Procurement

Fiscal year 2001's $3.5 billion procurement spending in the County is a decrease of 7 percent compared to the County's all time high of $3.8 billion recorded in fiscal year 2000. Fairfax and Prince George's Counties also experienced slight declines in procurement compared to last year. During the same period, federal procurement rose by 9 percent in the Washington Area and by 6 percent nationally. Over the past eleven years, the County's federal procurement increased at a respectable annual compound growth rate of 5.7 percent, though lower than the Washington Area's annual compound growth rate of 8.6 percent.

During most of the 1990s, about two-thirds of the Washington Area's procurement growth has gone to Northern Virginia. The trend has been to shift procurement dollars from purchasing products and research and development activities to purchasing services. Northern Virginia had an established information technology base, located near major defense installations, that was well positioned to capitalize on this shift in procurement purchasing.

A new trend in procurement spending is emerging. Procurement spending in the District of Columbia is on the rise. After fluctuating between $4 and $4.6 billion from 1992 through 1997, the District's procurement has increased by about $1 billion a year from 1998 through 2000. In fiscal year 2001, procurement spending in the District reached $10.1 billion, an increase of $2.7 billion (36 percent) over the $7.4 billion spent in fiscal year 2000.

Commercial Real Estate - Where is the Real Estate Economy Headed?

The real estate market can be best understood within the framework of the real estate market cycle. This cycle goes through four phases:

PHASE 1, RECOVERY starts at the bottom of previous cycle when vacancy rate stops increasing. In the current cycle this occurred in 1994. Absorption of vacant space is the key to recovery. There is no new speculative construction. Rental rates stop declining, stabilize and start to rise. This phase ends when rents are high enough and vacancy rates are low enough for construction to become financially feasible. In the current cycle this occurred early in 1997.

PHASE 2, EXPANSION: During expansion capital begins flow back into market with renovation of existing buildings. Vacancy rates continue to fall. The supply of space becomes tight and rents rise rapidly. Rents rise to the point where they will support new construction. There is a period of very tight supply before new or renovated buildings are delivered. This tight supply benefits the Class B & C markets as Class A tenants are forced choose from available lesser space. Once new construction is started, demand & supply may grow at similar rates for a long time. Long slow expansions are typical in historic cycles. In this cycle the County's expansion phase ended in early 2001 as the economic boom ended with contraction of many high technology companies.

PHASE 3, OVER SUPPLY begins at peak when demand growth drops below supply growth. The Montgomery County office space market has been in this phase since February 2001. At the beginning vacancy rates are still below long-term average levels and developers don't immediately recognize that the peak has passed. An early indicator of the over supply phase is the sharply increased offering of vacant sublet space on the market. As firms expand into new space they usually lease more than their immediate needs. When their prospects dim they offer their excess space on the sublet market trying to cover some of their costs. In the past year the amount of vacant sublet space in the County has tripled. Vacancy rates rise as buildings started earlier are completed. During the past year 10 new Class A office buildings have been completed in the County totaling 2.5 million square feet. Rental rate increases slow and stop as competition for tenants increases. Class A rental rates plateaued between October 2001 and January 2002 and have started to decline.

PHASE 4, RECESSION: The beginning of the recession phase is marked when rents start to fall rapidly. In the past two months the average Class A rent has dropped 1.3 percent indicating that we are probably entering the recession phase now. The supply of space continues to increase as new buildings, started a year or more earlier, continue to be completed. Landlords lower rents to compete for market share to try to cover expenses. When demand growth is negative as in the previous recession the decline is especially swift. The cycle bottom is reached when new building stops or demand starts to grow faster than supply indicating the end of Phase 4 and the beginning of the next cycle.

The prospects are good that this recession will be short and the bottom will probably be reached in about a year. Of the 2.2 million square feet of office space completed or under construction this year, 61 percent is already leased, a very positive sign. There is virtually no preleasing of the 2.3 million square feet not yet under construction but proposed for this year and next. This means that these buildings are unlikely to be started until an economic recovery is clearly underway. Thus the bottom should be reached when the last of the 20 office buildings now under construction is completed within about a year. The sublet space, which has been a drag on the market should be absorbed or taken off the market as the economy recovers.

Housing Market

In spite of a mild recession and weakness in other sectors of the economy, all residential market indicators show continuing strength. A key element of this strength appears to be very low mortgage interest rates. Strong demand for is also due to the fact that housing construction has not kept pace with the strong job growth of the last five years. Rising mortgage rates or sizable increases in prices could put a damper on this market.

Indicators of residential market strength include:

- **Rising prices for single-family housing combined with rising numbers of sales.** Sales prices rose nine percent between 2000 and the fourth quarter of 2001, from a median of $217,500 to $238,000, even with a five percent increase in the number of sales. Increased demand and record low mortgage rates contributed to this growth.

- **Continuing affordability of several housing types for middle income households.** Even though prices have increased, the County's affordability index shows that the middle income household can easily afford the median priced resale townhouse. Most can afford a new townhouse, although, influenced by construction of upscale towns in Bethesda and North Bethesda, townhouse affordability has declined. The median priced resale single-family detached house is also within reach of many middle income households, while a mid-priced new detached house is far out of reach for most County households.

- **Low vacancy rates for all types of housing.** 2000 Census data ranks Montgomery County as the jurisdiction with the lowest housing vacancy rates in Maryland. A 3.3 percent rental vacancy rate combined with a rate of 0.9 percent for owned housing offers few choices to either renters or buyers.

- **Numbers of completions and building permits remain high.** 2001 building permits outstripped the previous 11 years, even pre-recession 1990, rising to 5,757 permits. 2001 completions matched 2000 at 4,179 units. This total was lower than the high of 5,464 in 1999 but still the second highest year in a decade.

- **Strong demand generated by greater growth in jobs than housing.** Applying Stephen Fuller of George Mason University's model that compares job growth to housing construction to Montgomery County, County housing construction was 12,500 units short of accommodating County job growth between 1990 and 2000.

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Economic Forces That Shape Montgomery County

Annual Update 2002

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2002 Conclusions

- As expected: economy slowed in 2001, but better off than state, nation
- Job growth weakened early in 2001, although tech sectors did OK
- Commercial market: short, mild recession
- Federal impact: procurement still lags but leasing, employment will grow faster than expected

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Pluses & Minuses

+ Job growth healthiest in high-tech, high-wage sectors
+ Federal government strengthening role as employer and tenant
+ Housing market very strong
+ County in good position to weather commercial space recession

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Pluses & Minuses

- Job growth was declining pre-Sept. 11
- Unemployment rate doubled
- Federal role: procurement lags region
- Commercial construction: entering short, mild recession phase

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Job Growth Performance

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Job growth themes

- Job growth moderated considerably in the first part of 2001.
- About half 2000's pace.
- High technology job growth up 6%
  - Aerospace: *up 5%*
  - Biotechnology: *up 6%*
  - Information technology : *up 7%*
  - Telecommunications: *up 7%*
  - High tech manufacturing: *up 2%*
- Most other major sectors added jobs.
- Retail, wholesale trade showed some losses.

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About the job growth data...

The job growth statistics in this year's report are less helpful than in years past because:

- **The latest data are from second quarter 2001 - early in the recession and pre-September 11.**
- **Technical revisions to data mean that year-to-year comparisons are estimates.**

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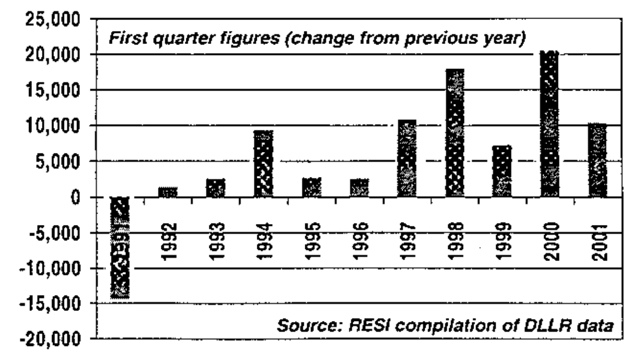
Annual growth: 10,300 jobs



Between the first quarters of 2000 and 2001, Montgomery County added 10,314 jobs, growing 2.4 percent.

M-NCPPC Research & Technology Center

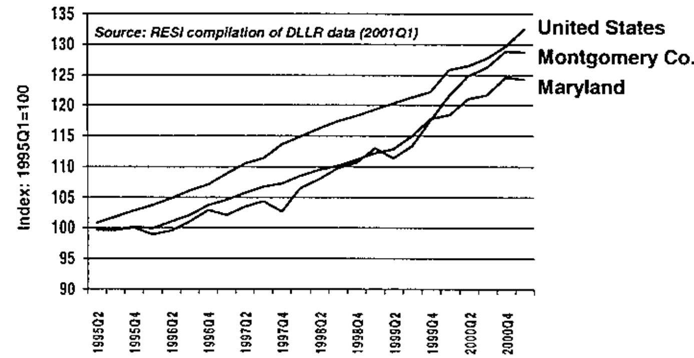
Private sector leads job gains

	2001	2000	Change %
Construction	25,047	24,345	2.9%
Manufacturing	19,258	19,580	-0.3%
TCPU	14,206	13,289	6.9%
Wholesale Trade	13,507	13,541	-0.2%
Retail Trade	70,617	70,644	0.0%
FIRE	31,679	30,813	2.8%
Services	185,479	179,498	3.3%
Other	4,039	3,741	8.0%
Total Private	364,117	355,451	2.4%
Local	39,485	38,287	3.1%
State	1,080	1,100	-1.8%
Federal	39,728	39,283	1.1%
Total Public	80,293	78,670	2.1%
Total	444,634	434,320	2.4%

Source: RESI compilation of DLLR data (2001Q1)

M-NCPPC Research & Technology Center

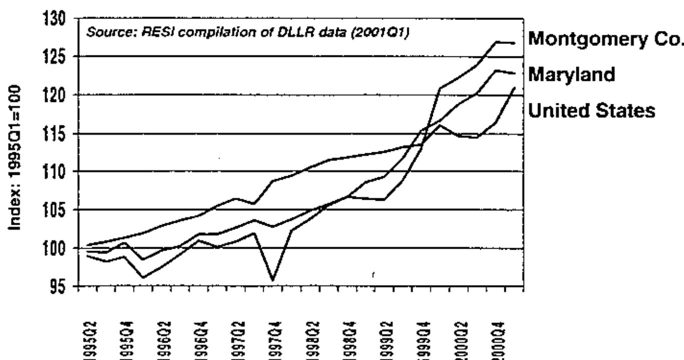
High tech jobs up 5.9%



There are 80,500 high tech jobs in Montgomery County.

M-NCPPC Research & Technology Center

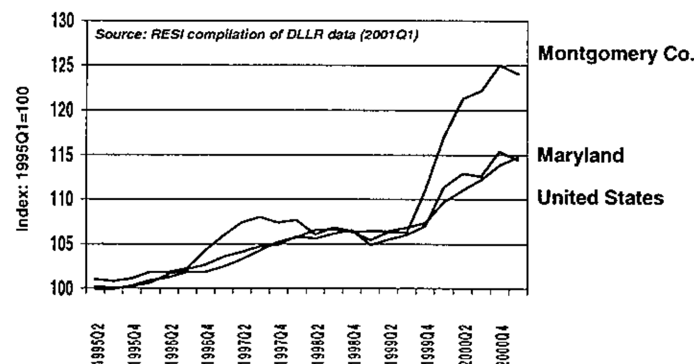
Aerospace rebound accelerates



There are 18,800 aerospace industry jobs in Montgomery County.

M-NCPPC Research & Technology Center

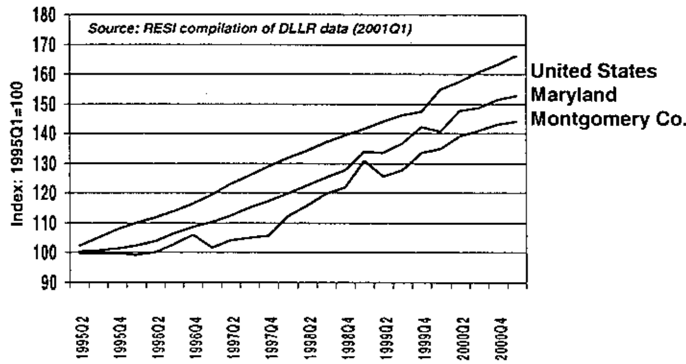
Biotech grows 6.1%



There are 12,400 biotech industry jobs in Montgomery County.

M-NCPPC Research & Technology Center

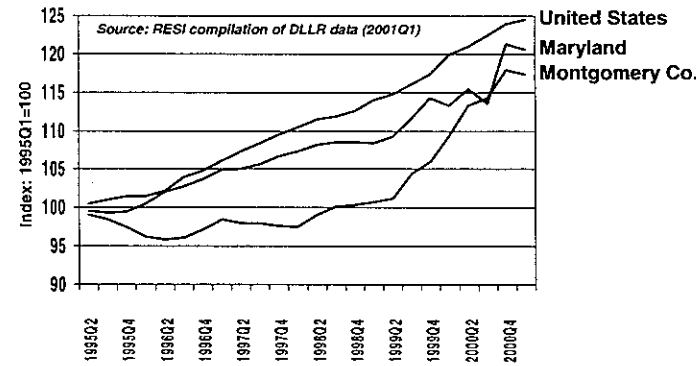
Infotech: County up 7%



There are 27,800 infotech industry jobs in Montgomery County.

M-NCPPC Research & Technology Center

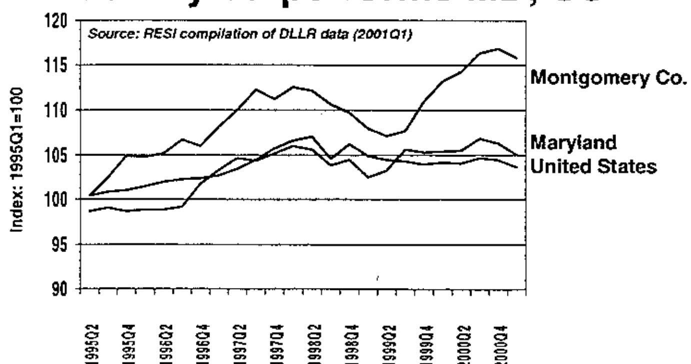
Telecom: County and MD up 7%



There are 13,300 telecommunications industry jobs in Montgomery County.

M-NCPPC Research & Technology Center

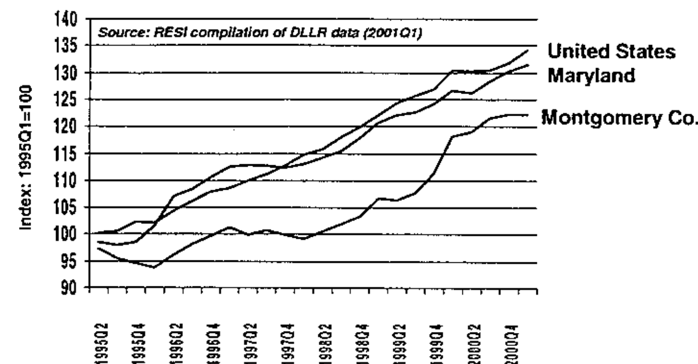
High tech manufacturing: County outperforms MD, US



There are 8,200 high tech manufacturing jobs in Montgomery County.

M-NCPPC Research & Technology Center

Construction jobs grow 3.6%



There are 27,000 construction jobs in Montgomery County.

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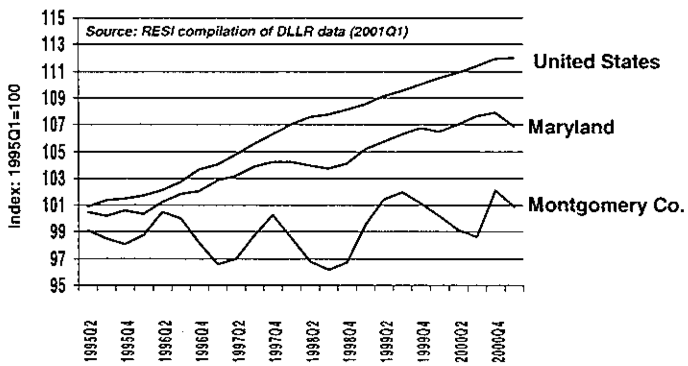
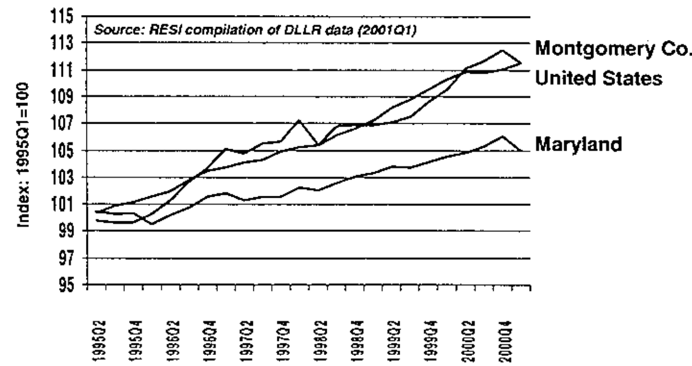
Wholesale trade: slight growth



There are 13,600 wholesale trade jobs in Montgomery County.

M-NCPPC Research & Technology Center

Retail trade keeps up pace with US



There are 73,400 retail trade jobs in Montgomery County.

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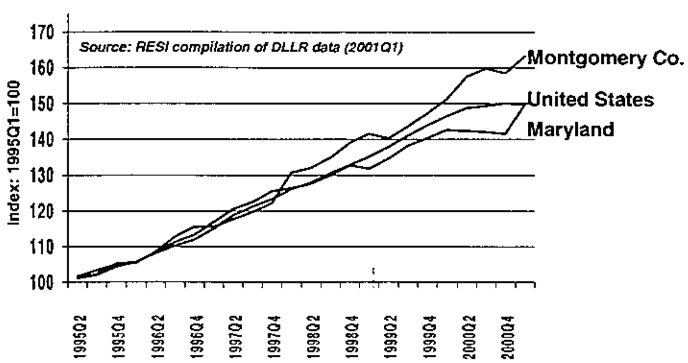
Business services climbs 8%



There are 62,100 business services jobs in Montgomery County.

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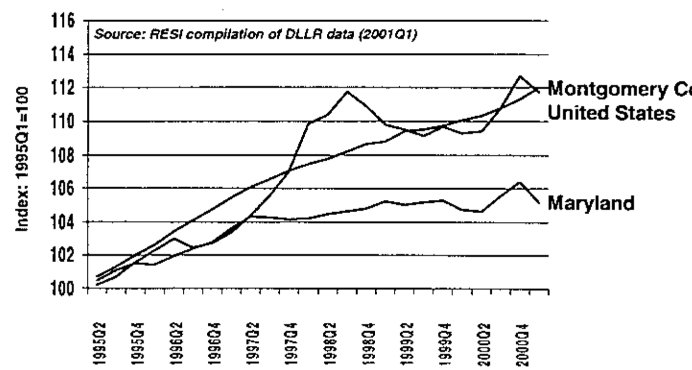
Health services follows US trend



There are 33,300 health services jobs in Montgomery County.

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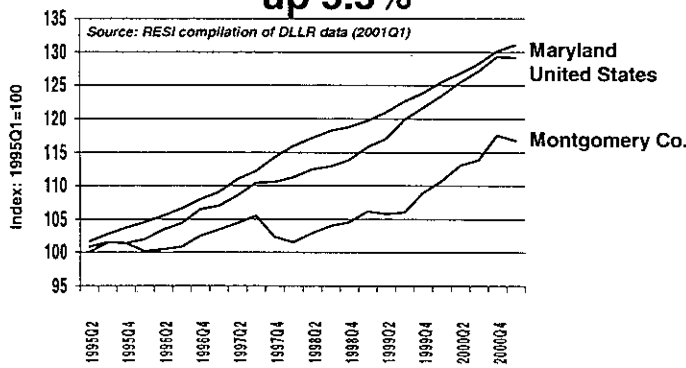
Engineering & management services up 5.5%



There are 34,900 engineering & management services jobs in Montgomery County.

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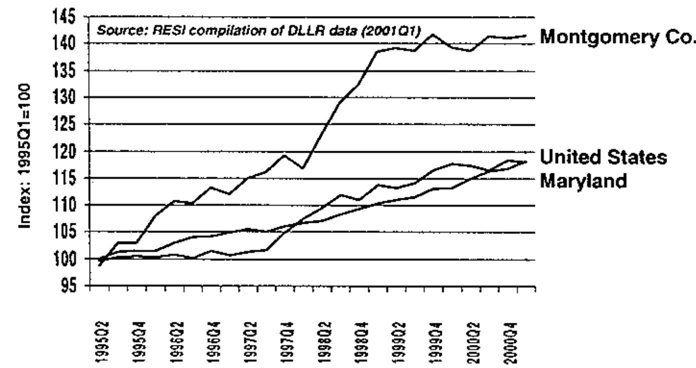
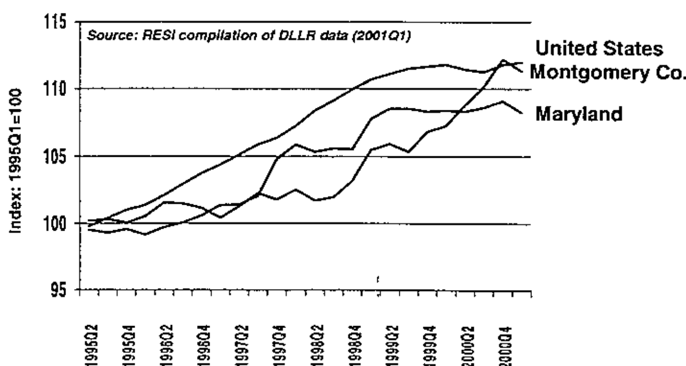
Lodging: plateau continues



There are 8,700 hotel & lodging jobs in Montgomery County.

M-NCPPC Research & Technology Center

Real estate sees faster growth



There are 10,750 real estate jobs in Montgomery County.

M-NCPPC Research & Technology Center

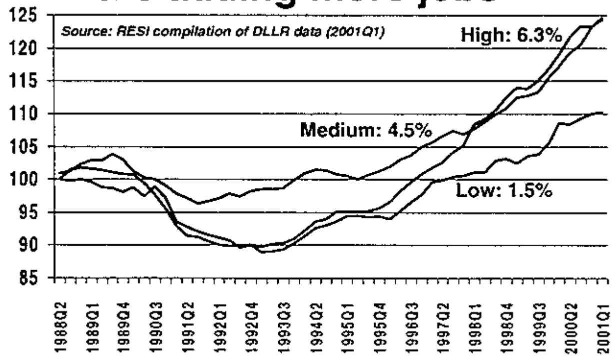
How well do the new jobs pay?

We track job growth by average salary to show how well new jobs are paying:

- **High: Industries with jobs that pay an average of $50,000**
- **Medium: Industries with jobs that pay an average of $30,000 to $49,999**
- **Low: Industries with jobs that pay an average of less than $30,000**

M-NCPPC Research & Technology Center

Higher income industries are adding more jobs



There are 106,000 jobs in high-wage industries, 171,000 jobs in medium-wage industries, and 101,000 jobs in low-wage industries in Montgomery County.

M-NCPPC Research & Technology Center

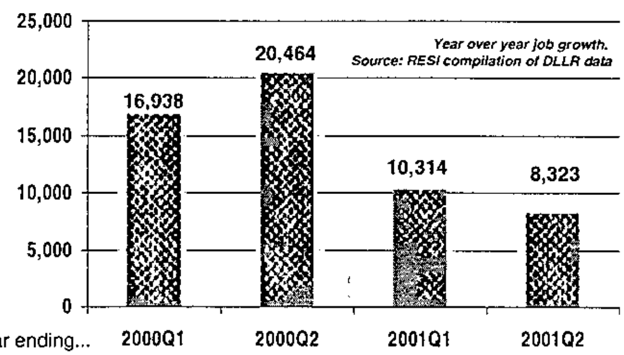
Job growth slowdown continued after first quarter 2001

Nationally, the recession is said to have started at the end of the first quarter 2001. In Montgomery County:

- **Job growth slowed from 2.4% to 1.9% in second quarter.**
- **Unemployment has roughly doubled to 3.0% in from January 2001 to January 2002.**

M-NCPPC Research & Technology Center

Job growth slows in 2nd quarter



Between the second quarters of 2000 and 2001, Montgomery County added 8,323 jobs, growing 1.9 percent.

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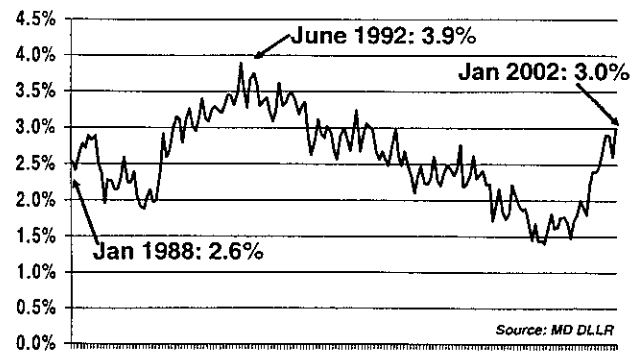
Jobless rate climbs to 3.0%



There are 11,500 unemployed persons in Montgomery County.

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Federal Impact

M-NCPPC Research & Technology Center

The federal government is a major component of Montgomery County's economy

As an employer,
- Almost 60,000 workers are in federal space,
- In FY2000 the federal government paid $3.2 billion in wages to jobs in Montgomery County

As a tenant,
- The General Services Administration leases 6.6 million square feet of commercial space in the County,

As a purchaser of goods and services,
- FY01's federal procurement is $3.5 billion, a drop from the County's all-time high of $3.8 billion last year.

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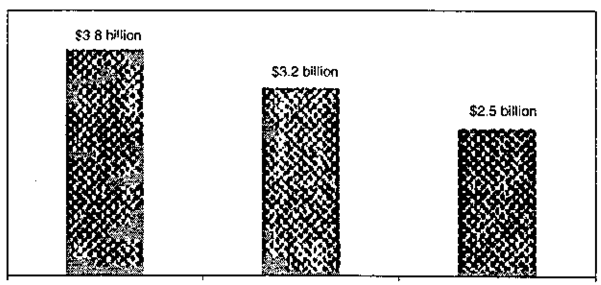
Worth $10.4 Billion

The federal government pumps billions of dollars into the County's economy.



Source: Consolidated Federal Funds Report

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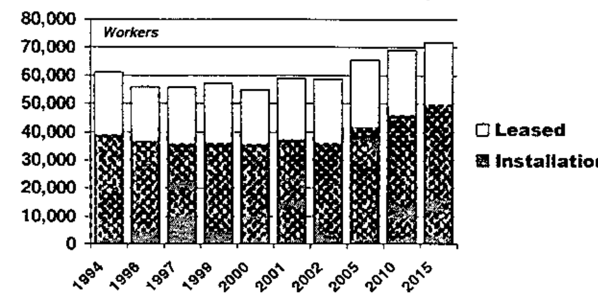
Federal jobs are now expected to exceed 1994 levels by 2005

More growth expected in coming decades.

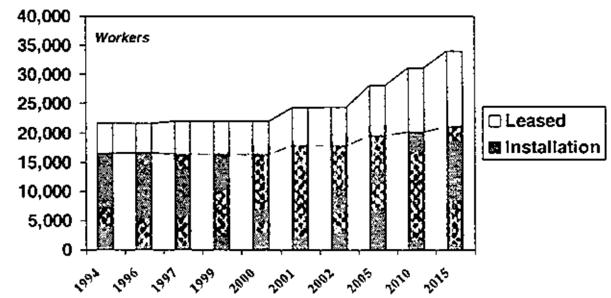


Source: M-NCPPC analysis of US government data

By 2015, jobs at installations are expected to grow by 39 percent above current levels. Jobs in leased space are expected to fluctuate between 22,300 and 24,000.

M-NCPPC Research & Technology Center

NIH is projecting more workers at their installation and in leased space

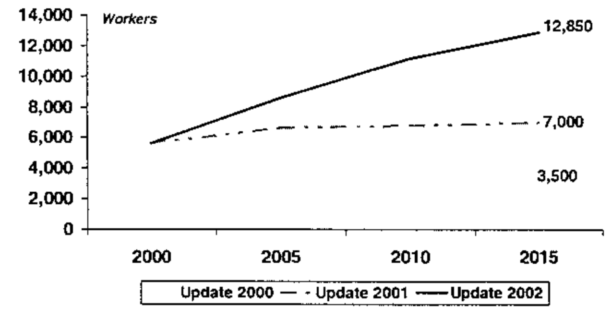


Source: M-NCPPC analysis of US government data

In past surveys, NIH projected more modest increases at their installation and worker reductions in leased space.

M-NCPPC Research & Technology Center

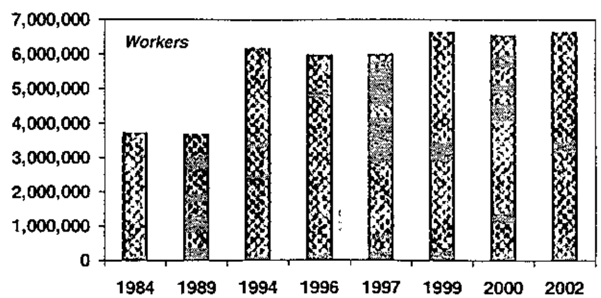
NIH 2015 projections of workers needed in leased space has more than tripled during the past 2 years



Source: National Institutes of Health, Office of Research Services, Office of Facilities Planning

M-NCPPC Research & Technology Center

Since 1994, GSA has leased between 6.0 and 6.6 million square feet of commercial space in Montgomery County

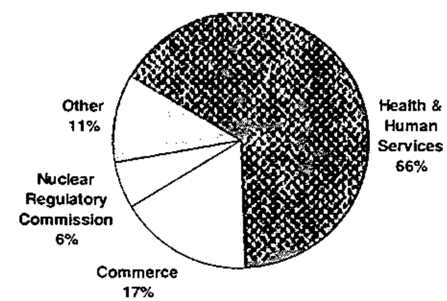


Source: General Services Administration

M-NCPPC Research & Technology Center

Federal leased space

Health & Human Services leases more space than all other agencies combined



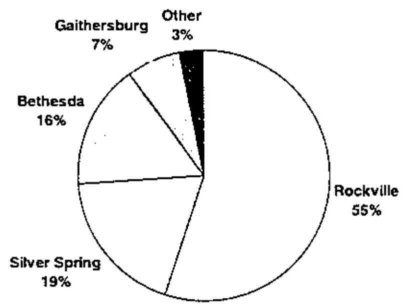
Source: General Services Administration

HHS & Commerce account for 83 percent of the County's federal leased space, 5.5 million sq. ft. out of a total of 6.6 million sq. ft.

M-NCPPC Research & Technology Center

Federal leased space

Rockville area leads the County

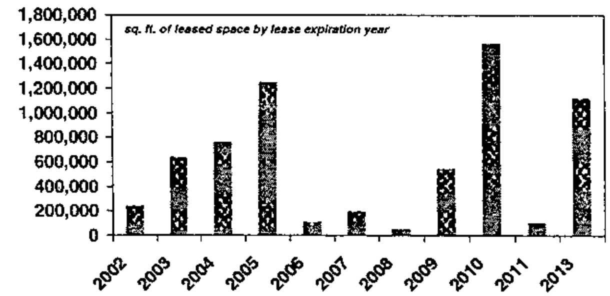


GSA leases 3.6 mil. sq. ft. in Rockville (which includes most of North Bethesda), 1.2 mil. sq. ft. in Silver Spring, and 1.0 mil. sq. ft. in Bethesda.

Source: General Services Administration

M-NCPPC Research & Technology Center

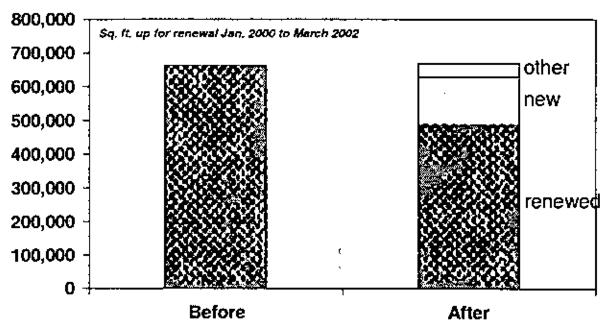
25 percent of GSA's leased space in Montgomery County is renewable in the next 3 years (2002-2004)



Source: General Services Administration

M-NCPPC Research & Technology Center

GSA renewed 74% of the lease space due to expire between January 2000 and March 2002



Source: General Services Administration

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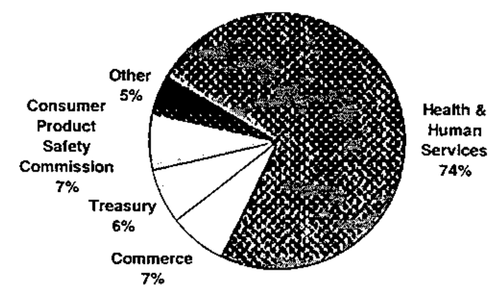
Health and Human Services occupies 74% of GSA's lease space renewable in the next 3 years



Source: General Services Administration

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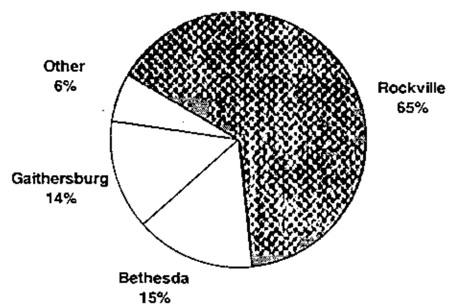
Rockville has 65% of GSA's lease space renewable in the next 3 years



Source: General Services Administration

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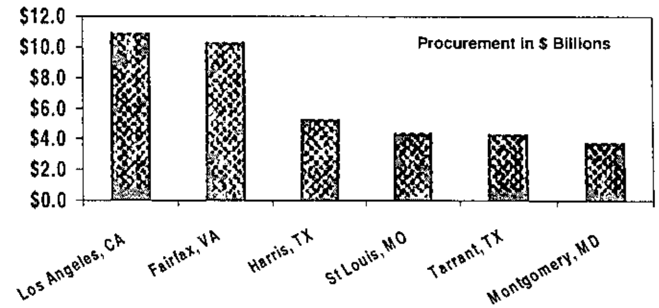
Only 5 counties in the U.S. topped Montgomery's FY2000 federal procurement



Source: Consolidated Federal Funds Report

Totals for Fairfax County include the independent Cities of Fairfax and Falls Church.

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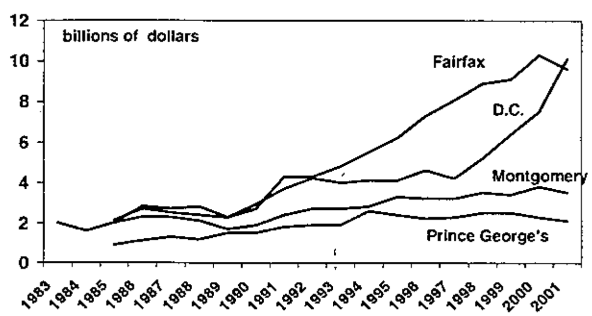
Montgomery's FY 2001 federal procurement drops to $3.5 billion.

Fairfax and Prince George's also show declines, D.C. continues to increase.



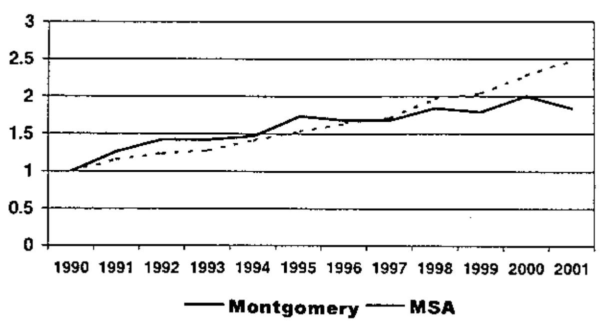
Source: M-NCPPC analysis of Federal Procurement Data Center data

Montgomery County's federal procurement reached an all time high of $3.8 billion in FY2000.

M-NCPPC Research & Technology Center

Index of procurement shows lag

Earlier in the 1990s, Montgomery County and the MSA had comparable growth in federal procurement, but the County has lagged since 1998.



Compound growth rate: Montgomery=5.7% Washington MSA=8.6%

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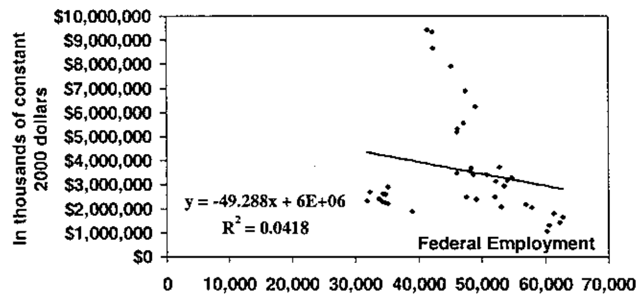
Procurement vs Federal Employment

1990-1999

Arlington, Fairfax, Montgomery, and Prince George's Counties



There is no significant relationship between federal employment and procurement in the inner suburban jurisdictions.

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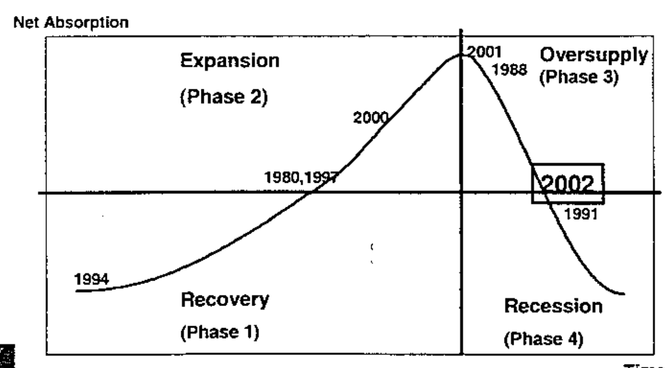
Where Is the Commercial Real Estate Market Headed?

Montgomery County & the Region

M-NCPPC Research & Technology Center

The real estate cycle provides a framework for understanding



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Four phases of the cycle

- Recovery: Vacant space is absorbed & rents start to increase.
- Expansion: Renovation then new construction, vacancy rates are low, new supply is absorbed, rents increase.
- **Over Supply: Completions continue, supply increases faster than demand, vacancy rates increase & rents start to fall.**
- Recession: Vacancies still increase, rents fall, construction stops at bottom.

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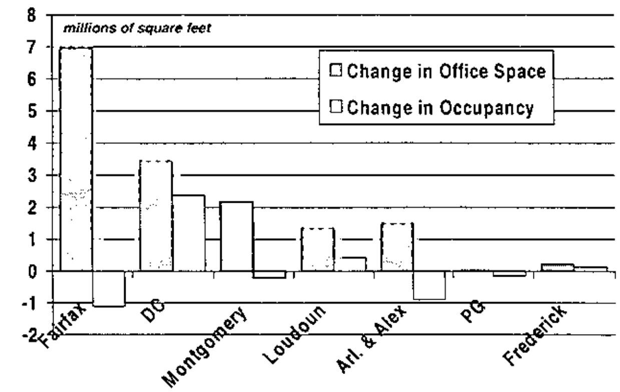
Where Is the Commercial Real Estate Market Headed?

The Washington Region

M-NCPPC Research & Technology Center

Office construction outstripped absorption Mar '01-Mar '02



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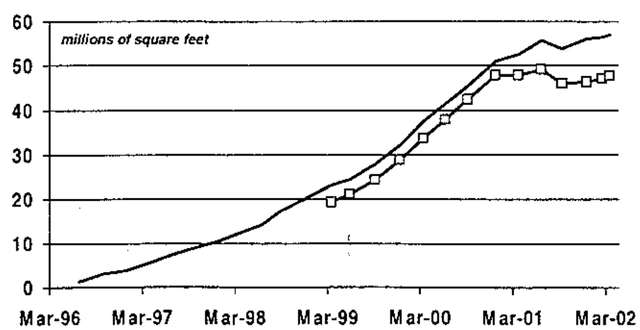
Cumulative office absorption

From March 1996

Symbols Show Sublet Vacancy Subtracted



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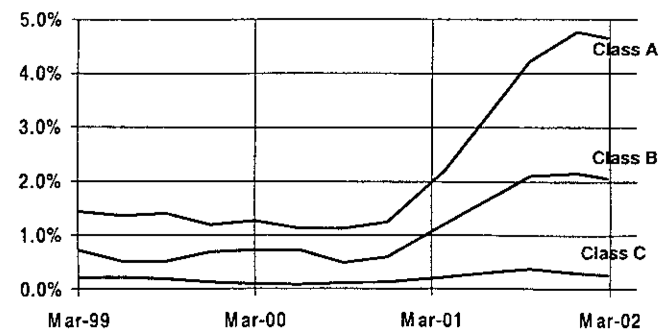
Regional office sublet vacancy grows as percent of space



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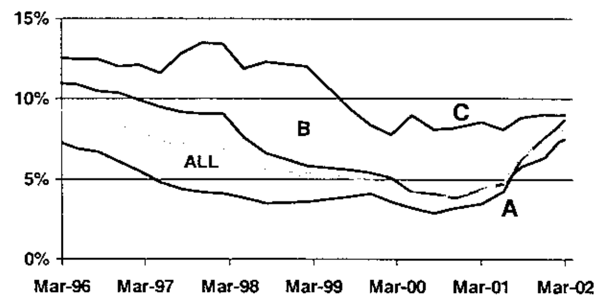
Office vacancy rates have risen in the Washington region



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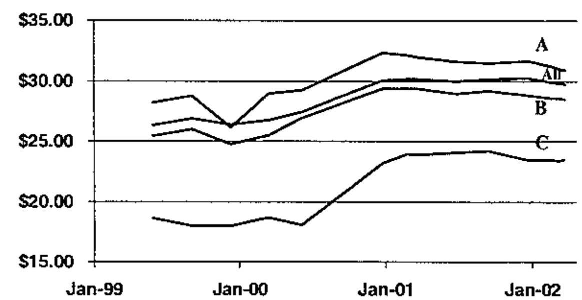
Regional office rents flatten then start to decline



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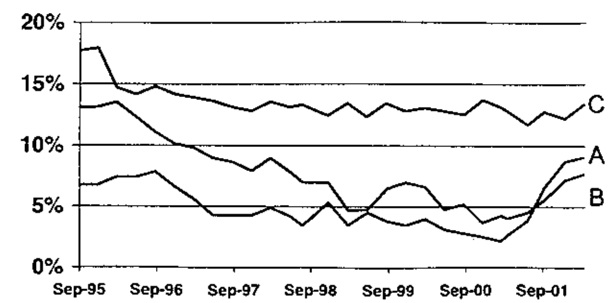
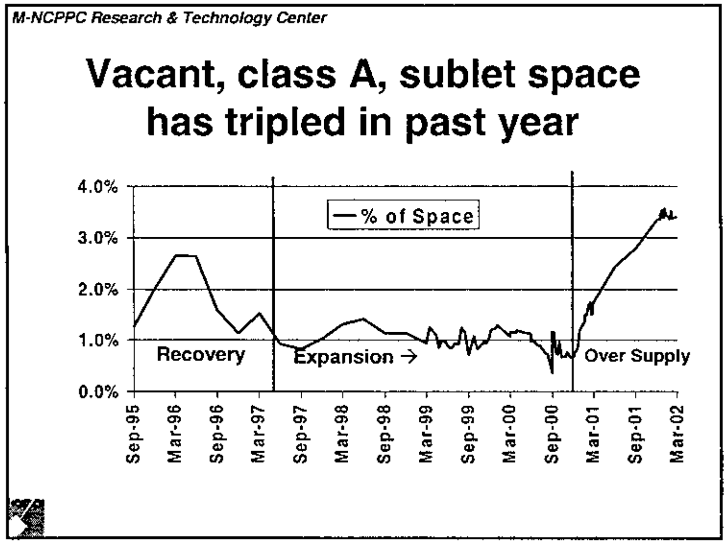
Where Is the Commercial Real Estate Market Headed?

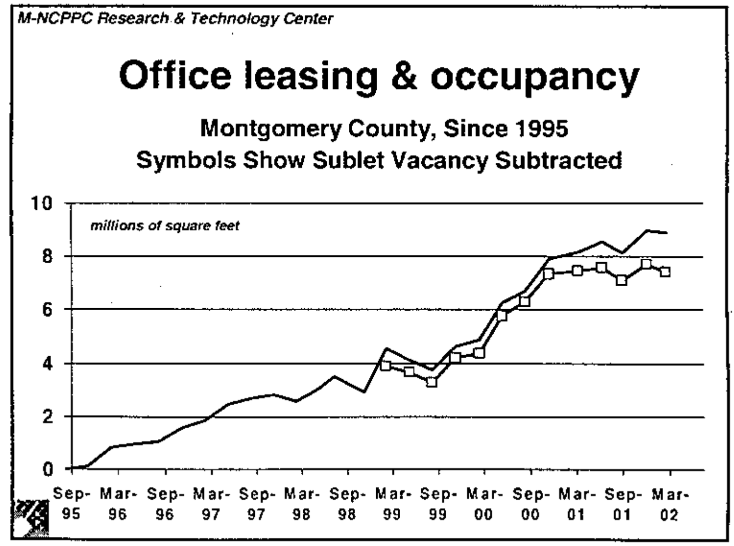
Montgomery County

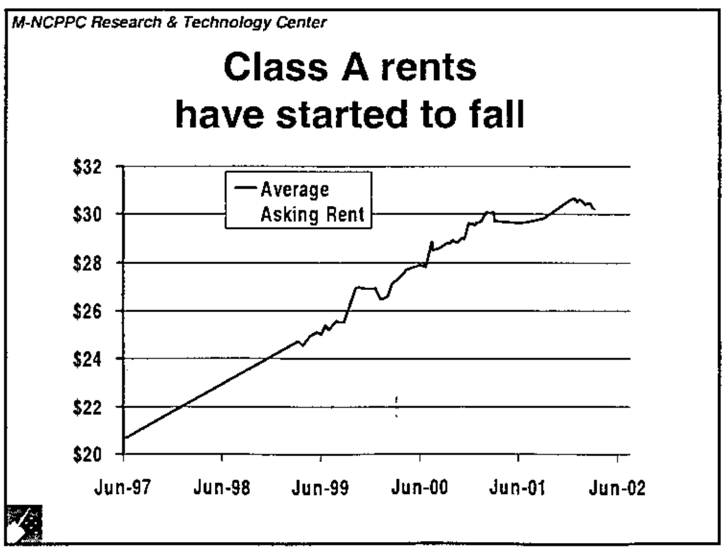
M-NCPPC Research & Technology Center

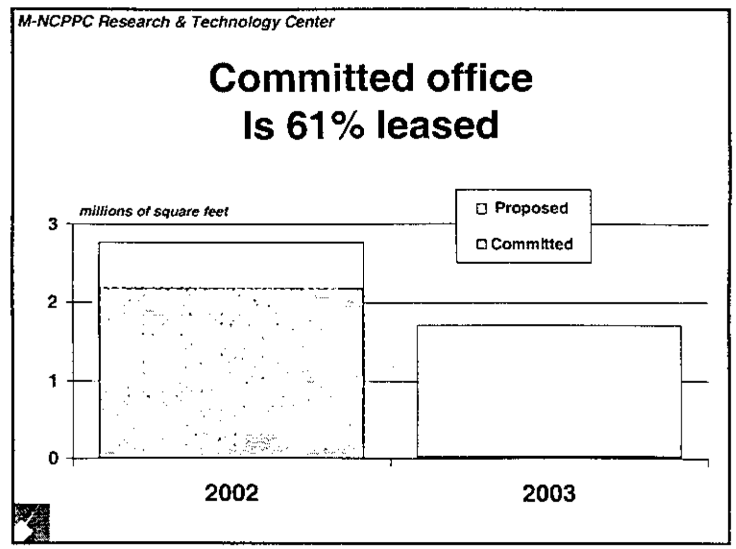
A & B office vacancy rates have risen sharply




M-NCPPC Research & Technology Center
Vacant, class A, sublet space has tripled in past year
4.0%
3.0%
2.0%
1.0%
0.0%
—% of Space
Recovery
Expansion →
Over Supply
Sep-95
Mar-96
Sep-96
Mar-97
Sep-97
Mar-98
Sep-98
Mar-99
Sep-99
Mar-00
Sep-00
Mar-01
Sep-01
Mar-02

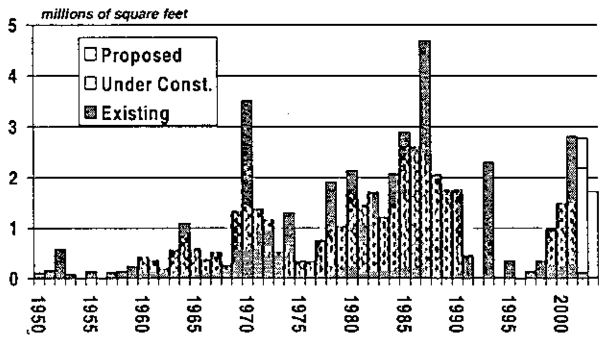

M-NCPPC Research & Technology Center
Office leasing & occupancy
Montgomery County, Since 1995
Symbols Show Sublet Vacancy Subtracted
millions of square feet
10
8
6
4
2
0
Sep-95
Mar-96
Sep-96
Mar-97
Sep-97
Mar-98
Sep-98
Mar-99
Sep-99
Mar-00
Sep-00
Mar-01
Sep-01
Mar-02


M-NCPPC Research & Technology Center
Class A rents have started to fall
—Average Asking Rent
$32
$30
$28
$26
$24
$22
$20
Jun-97
Jun-98
Jun-99
Jun-00
Jun-01
Jun-02


M-NCPPC Research & Technology Center
Committed office Is 61% leased
millions of square feet
Proposed
Committed
3
2
1
0
2002
2003

M-NCPPC Research & Technology Center

Montgomery County office construction cycles



M-NCPPC Research & Technology Center

This real estate recession should be short & mild

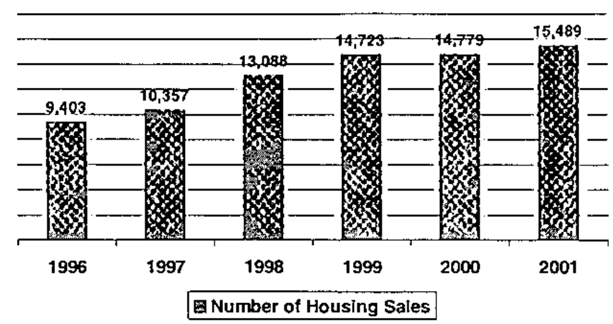
- The nation & region appear to be already coming out of the recession.
- Office space under construction now is already 61% leased.
- Buildings not yet started have almost no preleasing so are unlikely to be started.
- The recession should end when current construction is completed early in 2003.

M-NCPPC Research & Technology Center

All Housing Market Indicators Are Strong

M-NCPPC Research & Technology Center

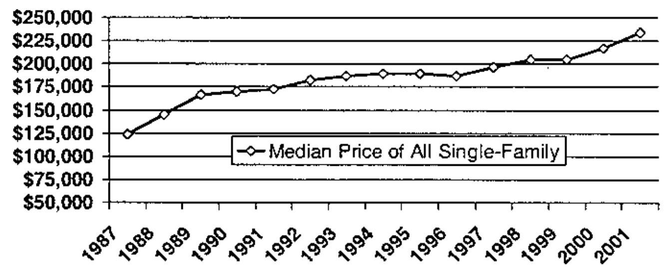
Number of Housing Sales Trend Upward



Source: MRIS

M-NCPPC Research & Technology Center

Housing Prices Continue to Rise

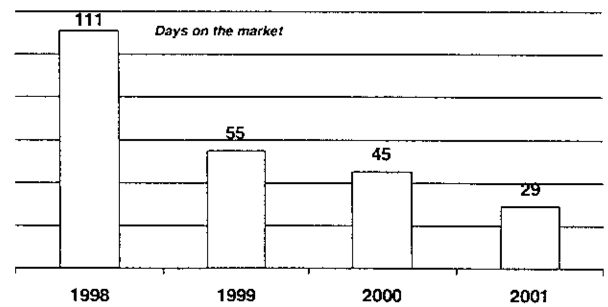


Source: M-NCPPC

2001 price reflects the first three-quarters of the year

M-NCPPC Research & Technology Center

Housing Units Sell Quickly in 2001

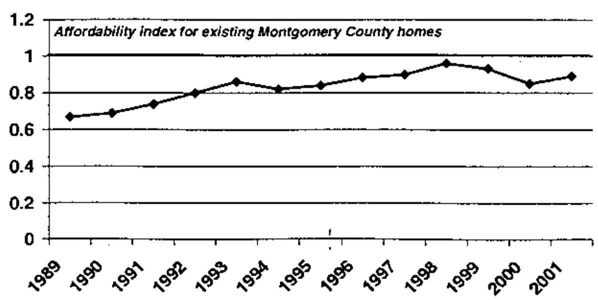


Source: MRIS, COG

M-NCPPC Research & Technology Center

Affordability Remains Reasonably Stable In Spite of High Demand

But a rise in interest rates could change this.

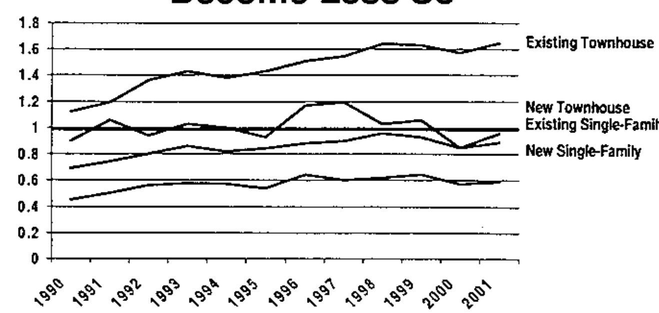


The higher the score, the more affordable the housing is. A score of 1 means the monthly cost of buying a home equals 28% of gross income.

Source: M-NCPPC

M-NCPPC Research & Technology Center

Existing Townhouses Fairly Affordable; New Townhouses Become Less So



The higher the score, the more affordable the housing is. A score of 1 means the monthly cost of buying a home equals 28% of gross income.

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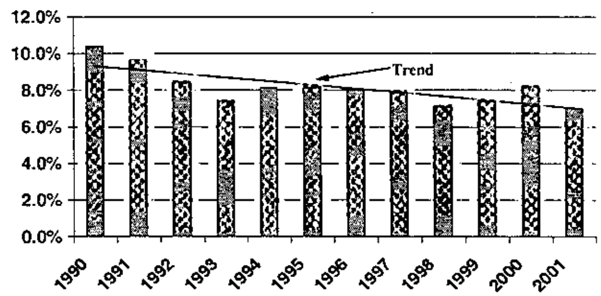
Mortgage Rates Are Very Low



Mortgage interest rate, 30 year fixed effective rate,
Source: Federal Home Loan Bank Board.

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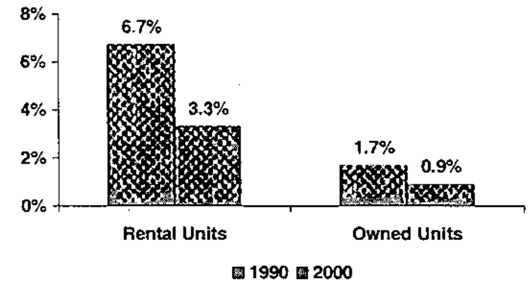
Housing Vacancy Rates Are Extremely Low



Source: 2000 Census

(Census rental includes single-family and small complex rentals unlike the County Vacancy Survey.)

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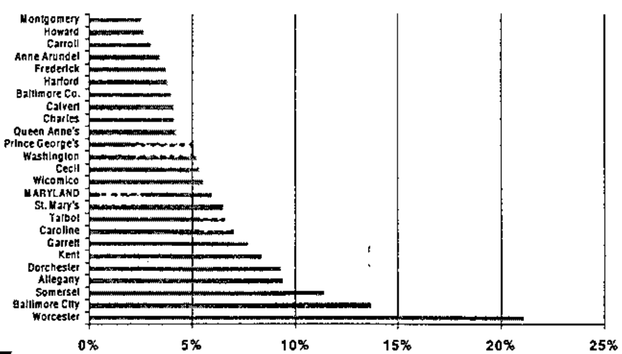
Montgomery Has Least Vacant Housing in Maryland



Source: 2000 Census

Excludes seasonal units.

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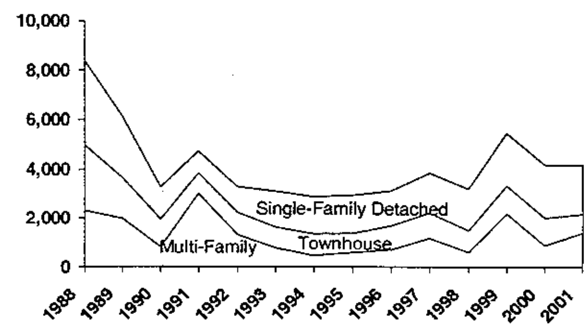
Almost 59,000 New Units Were Built From 1988 Through 2001



Source: M-NCPPC

30% of new completions were multi-family.

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Major 2001 Completions Include:

• Kingsview	447
• Lakelands	321
• Watkins Pond at King Farm	284
• Kingsview Village	242
• Kings Crossing	121
• Hoyles Mill Village	113
• Fountain Hills	89
• King Farm Apartments	80
• Barnsley Manor Estates	70

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2001 Senior Housing Completions

• Riderwood	478
• Churchill	121
• Leisure World	109

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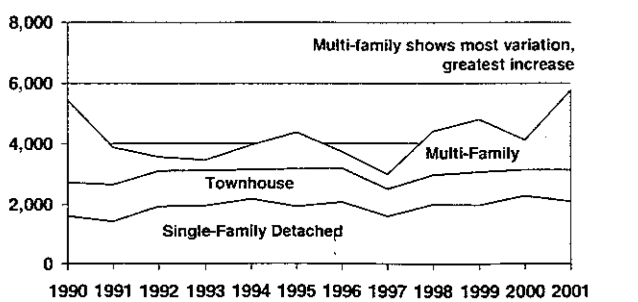
Building Permits Increase In 2001



Includes an estimated 5 percent reissued permits

Source: M-NCPPC

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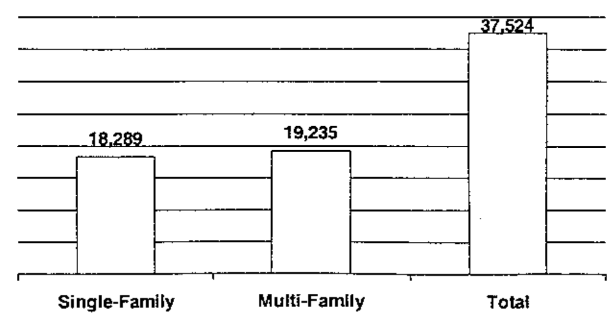
Today's Multi-Family Approvals Slightly Exceed Single-Family



Pipeline of Approved Development, February 28, 2002

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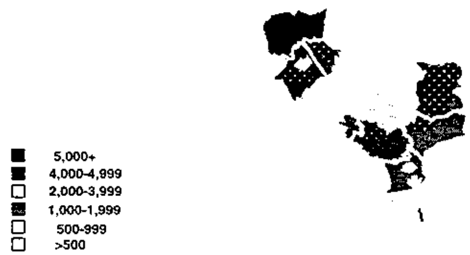
I-270 Corridor Focus of Approved Residential Development



Pipeline of Approved Development, February 28, 2002

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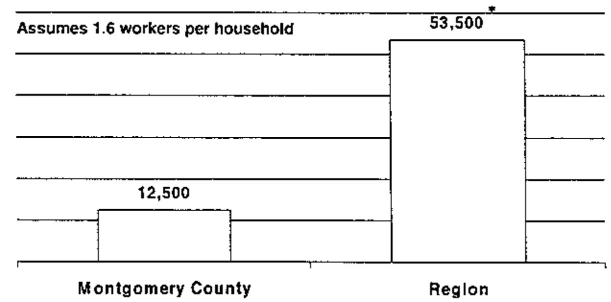
Gap Between Housing Construction and Job Growth 1990 - 2000



Source: Calculation methodology by Dr. Stephen Fuller, GMU
Montgomery County calculation by M-NCPPC

Appendix 1

Employment Trends Tables

Prepared by RESI Research & Consulting, Towson University
Under contract to the Montgomery County Department of Park & Planning, M-NCPPC

Montgomery County Sectoral Composition

Industry	2000:Q1 Employment	2001:Q1 Employment	One Year Change in Employment *Absolute*	*Percentage*	2001:Q1 Establishments	Average Weekly Wage
AGGREGATE	434,320	444,634	10,314	2.4%	28,442	$884
PUBLIC SECTOR	78,670	80,293	1,623	2.1%	134	$939
Federal Government	39,283	39,728	445	1.1%	89	$1,143
Local Government	38,287	39,485	1,198	3.1%	36	$742
State Government	1,100	1,080	-20	-1.8%	9	$662
PRIVATE SECTOR	355,451	364,117	8,666	2.4%	28,283	$873
Services	179,498	185,495	5,997	3.3%	16,959	$854
Retail Trade	70,644	70,617	-27	0.0%	3,975	$420
Finance, Insurance & Real Estate	30,813	31,679	866	2.8%	2,451	$1,360
Construction	24,345	25,047	702	2.9%	2,157	$858
Wholesale Trade	13,541	13,507	-34	-0.2%	1,137	$1,283
Transportation, Comm. & Utilities	13,289	14,206	917	6.9%	563	$1,233
Durable Manufacturing	10,870	10,873	3	0.0%	236	$1,491
Nondurable Manufacturing	8,710	8,655	-55	-0.6%	321	$1,407
Agriculture	3,741	4,039	298	8.0%	485	$460
Mining	*	*	*	*	*	*

Source: Bureau of Labor Statistics, ES-202

* Data not available because of confidentiality

Montgomery County Sectoral Composition

Industry	2000:Q2 Employment	2001:Q2 Employment	One Year Change in Employment *Absolute*	*Percentage*	2001:Q2 Establishments	Average Weekly Wage
AGGREGATE	444,989	453,312	8,323	1.9%	28,253	$871
PUBLIC SECTOR	79,206	81,426	2,220	2.8%	138	$1,088
Federal Government	39,391	40,075	684	1.7%	94	$1,345
Local Government	38,712	40,265	1,553	4.0%	35	$847
State Government	1,103	1,086	-17	-1.5%	9	$569
PRIVATE SECTOR	365,783	371,886	6,103	1.7%	28,115	$823
Services	183,890	189,344	5,454	3.0%	16,831	$834
Retail Trade	72,483	72,208	-275	-0.4%	3,962	$434
Finance, Insurance & Real Estate	31,547	32,039	492	1.6%	2,401	$1,026
Construction	26,046	25,953	-93	-0.4%	2,164	$837
Wholesale Trade	13,288	12,989	-299	-2.3%	1,115	$1,252
Transportation, Comm. & Utilities	13,350	14,011	661	5.0%	579	$1,090
Durable Manufacturing	11,152	11,209	57	0.5%	234	$1,360
Nondurable Manufacturing	8,916	9,057	141	1.6%	334	$1,408
Agriculture	5,111	5,076	-35	-0.7%	494	$521
Mining	*	*	*	*	*	*

Source: Bureau of Labor Statistics, ES-202

* Data not available because of confidentiality

Montgomery County High-Tech Industries

Industry	SIC	2000: Q1 Employment	2001: Q1 Employment	One Year Change in Employment *Absolute*	*Percentage*	2001: Q1 Establishments	Average Weekly Wage
Aerospace		18,085	17,899	-186	-1.0%	N/A	$1,410
Ordinance & Accessories, NEC	348	N/A	N/A	N/A	N/A	N/A	N/A
Communications Equipment	366	5,306	5,086	-220	-4.2%	35	$1,588
Aircraft and Parts	372	N/A	N/A	N/A	N/A	N/A	N/A
Guided Missiles, Space Vehicles, Parts	376	639	711	72	11.3%	3	$2,705
Search & Navigation Equipment	381	1,812	1,992	180	9.9%	5	$1,381
Air Transportation, Scheduled	451	561	634	73	13.1%	10	$680
Air Transportation, Nonscheduled	452	*	*	*	*	*	*
Airports, Flying Fields, and Services	458	*	*	*	*	*	*
Miscellaneous Transportation Services	478	69	79	10	13.9%	6	$719
Cable and Other Pay TV Services	484	654	561	-93	-14.2%	12	$1,114
Communication Services, NEC	489	998	863	-135	-13.5%	9	$2,626
Engineering & Architectural Services	871	7,980	7,911	-69	-0.9%	379	$1,146
Healthcare		*	*	*	*	*	*
Medical Service & Health Insurance	632	2,359	2,458	99	4.2%	18	$976
Offices & Clinics of Medical Doctors	801	8,669	8,913	244	2.8%	985	$956
Offices and Clinics of Dentists	802	2,665	2,663	-2	-0.1%	581	$698
Offices of Osteopathic Physicians	803	*	*	*	*	*	*
Offices of Other Health Practitioners	804	1,366	1,335	-31	-2.3%	316	$649
Nursing & Personal Care Facilities	805	6,412	7,027	615	9.6%	59	$620
Hospitals	806	9,225	9,200	-25	-0.3%	13	$719
Medical & Dental Laboratories	807	1,086	717	-369	-33.9%	62	$505
Home Health Care Services	808	1,819	2,049	230	12.7%	51	$470
Health & Allied Services, NEC	809	1,153	1,125	-28	-2.4%	61	$624
Health Industry Products (Biotech)		*	*	*	*	*	*
Drugs	283	716	790	74	10.3%	8	$5,382
Miscellaneous Chemical Products	289	*	*	*	*	*	*
Measuring and Controlling Devices	382	1,037	832	-205	-19.7%	22	$1,676
Research, Development & Testing Servic	873	9,861	9,936	75	0.8%	317	$1,348
Information Technology		26,249	28,627	2,378	9.1%	1,698	$1,460
Computer & Office Equipment	357	89	80	-9	-9.9%	7	$1,739
Electronic Components & Accessories	367	300	266	-34	-11.4%	16	$866
Computer & Data Processing Services	737	25,527	27,896	2,369	9.3%	1,634	$1,474
Research, Development & Testing Servic	824	333	385	52	15.5%	42	$844
High Tech Manufacturing		7,944	8,068	124	1.6%	126	$1,715
Industrial Machinery Equipment	35	265	258	-7	-2.5%	26	$1,123
Electronic & Other Equipment	36	5,952	6,203	251	4.2%	69	$1,629
Transportation Equipment	37	690	775	85	12.3%	9	$2,641
Instruments Manufacturing	382	1,037	832	-205	-19.7%	22	$1,676
Telecommunications		12,431	12,107	-324	-2.6%	174	$1,647
Communications Equipment	366	5,306	5,086	-220	-4.2%	35	$1,588
Telephone Communications	481	4,576	4,618	42	0.9%	98	$1,658
Telegraph & Other Communications	482	25	29	4	14.3%	2	$1,503
Radio & Television Broadcasting	483	872	949	77	8.9%	18	$1,342
Cable & Other Pay TV Services	484	654	561	-93	-14.2%	12	$1,114
Communication Services, NEC	489	998	863	-135	-13.48%	9	$2,626

Source: Bureau of Labor Statistics, ES-202

* Data not available because of confidentiality

Montgomery County Industries

Industry	SIC	2000:Q1 Employment	2001:Q1 Employment	One Year Change in Employment *Absolute*	*Percentage*	2001:Q1 Establishments	Average Weekly Wage
Agricultural Production	01	137	140	3	2.38%	11	$457
Agriculture Production Livestock	02	*	*	*	*	*	*
Agricultural Services	07	3,604	3,899	295	8.18%	474	$443
Forestry	08	*	*	*	*	*	*
Oil and Gas Extraction	13	*	*	*	*	*	*
Nonmetallic Minerals, except Fuels	14	*	*	*	*	*	*
General Building Contractors	15	7,865	8,022	157	2.00%	824	$1,062
Heavy Construction, Ex. Building	16	1,084	1,111	27	2.51%	52	$786
Special Trade Contractors	17	15,396	15,913	517	3.36%	1,281	$772
Food and Kindred Products	20	1,078	1,044	-34	-3.15%	25	$656
Textile Mill Products	22	*	*	*	*	*	*
Apparel and Other Textile Products	23	73	74	1	1.03%	7	$487
Lumber and Wood Products, except Furniture	24	256	263	7	2.56%	26	$711
Furniture and Fixtures	25	57	58	1	1.63%	9	$652
Paper and Allied Products	26	157	170	13	8.41%	6	$741
Printing and Publishing	27	6,197	6,170	-27	-0.44%	262	$1,185
Chemicals and Allied Products	28	1,032	1,044	12	1.15%	16	$4,385
Petroleum Refining and Related	29	*	*	*	*	*	*
Rubber and Misc. Plastics Products	30	173	154	-19	-11.12%	6	$589
Leather and Leather Products	31	*	*	*	*	*	*
Stone, Clay, and Glass Products	32	306	304	-2	-0.60%	19	$887
Primary Metal Industries	33	*	*	*	*	*	*
Fabricated Metal Products	34	211	228	17	8.10%	17	$809
Industrial Machinery and Equipment	35	265	258	-7	-2.46%	26	$1,123
Electronic & Other Electronic Equipment	36	5,952	5,644	-308	-5.18%	67	$1,529
Transportation Equipment	37	690	775	85	12.26%	9	$2,641
Instruments and Related Products	38	3,035	3,239	204	6.72%	40	$1,414
Miscellaneous Manufacturing Industries	39	98	104	6	6.11%	23	$621
Local and Interurban Passenger Transit	41	555	570	15	2.73%	43	$410
Trucking and Warehousing	42	3,150	3,547	397	12.60%	190	$504
Water Transportation	44	168	166	-2	-1.24%	7	$1,429
Transportation by Air	45	628	703	75	12.00%	15	$659
Transportation Services	47	750	748	-2	-0.22%	147	$519
Communications	48	7,125	7,363	238	3.35%	134	$1,546
Electric, Gas, and Sanitary Services	49	913	1,108	195	21.31%	26	$1,482
Wholesale Trade-Durable Goods	50	10,087	10,012	-75	-0.74%	827	$1,442
Wholesale Trade-Nondurable Goods	51	3,454	3,495	41	1.20%	310	$827
Building Materials & Garden Supplies	52	2,071	2,025	-46	-2.23%	101	$525
General Merchandise Stores	53	6,776	6,580	-196	-2.90%	55	$338
Food Stores	54	11,157	11,197	40	0.36%	374	$409
Automotive Dealers & Service Stations	55	7,231	6,907	-324	-4.47%	322	$782
Apparel and Accessory Stores	56	4,533	4,483	-50	-1.10%	291	$284
Furniture and Home furnishings	57	5,523	5,580	57	1.03%	489	$747
Eating and Drinking Places	58	21,077	20,793	-284	-1.35%	1,254	$304
Miscellaneous Retail	59	12,276	13,052	776	6.32%	1,089	$352
Depository Institutions	60	5,671	5,553	-118	-2.08%	304	$801
Nondepository Institutions	61	3,048	3,561	513	16.83%	283	$1,441
Security and Commodity Brokers	62	2,683	3,103	420	15.65%	209	$2,828
Insurance Carriers	63	5,965	6,017	52	0.87%	183	$1,880
Insurance Agents, Brokers, & Service	64	2,826	2,739	-87	-3.09%	363	$1,827
Real Estate	65	10,199	10,271	72	0.71%	1,024	$937
Holding and Investment Offices	67	421	434	13	3.16%	85	$2,169
Hotels and Other Lodging Places	70	8,449	8,880	431	5.10%	65	$1,309
Personal Services	72	5,102	5,047	-55	-1.08%	722	$391
Business Services	73	57,071	61,840	4,769	8.36%	3,198	$944
Auto Repair, Services, and Parking	75	3,239	3,253	14	0.42%	514	$626
Miscellaneous Repair Services	76	847	775	-72	-8.54%	163	$577
Motion Pictures	78	1,411	1,394	-17	-1.21%	162	$418
Amusement & Recreation Services	79	5,388	5,619	231	4.28%	341	$347
Health Services	80	32,400	32,809	409	1.26%	2,127	$718
Legal Services	81	3,333	3,390	57	1.70%	646	$884
Educational Services	82	6,132	6,447	315	5.14%	253	$610
Social Services	83	11,717	11,753	36	0.31%	610	$474
Museums, Botanical, Zoological Gardens	84	87	92	5	6.19%	16	$351
Membership Organizations	86	4,434	4,456	22	0.49%	305	$816
Engineering & Management Services	87	32,859	33,004	145	0.44%	2,737	$1,179
Private Households	88	6,843	6,556	-287	-4.20%	5,038	$239
Miscellaneous Services	89	186	182	-4	-2.23%	60	$817
Nonclassifiable Establishments	99	2,268	2,440	172	7.57%	1,394	$741

Source: Bureau of Labor Statistics, ES-202

* Data not available because of confidentiality

Montgomery County Low Income Industries
Average Annual Salary less than $30,000

SIC	Industry
01	Agricultural Production
07	Agricultural Services
08	Forestry
22	Textile Mill Products
23	Apparel and Other Textile Products
31	Leather and Leather Products
41	Local and Interurban Passenger Transit
42	Trucking and Warehousing
47	Transportation Services
52	Building Materials & Garden Supplies
53	General Merchandise Stores
54	Food Stores
56	Apparel and Accessory Stores
58	Eating and Drinking Places
59	Miscellaneous Retail
72	Personal Services
78	Motion Pictures
79	Amusement & Recreation Services
83	Social Services
84	Museums, Botanical, Zoological Gardens
88	Private Households

Source: Bureau of Labor Statistics, ES-202

Montgomery County Middle Income Industries
Average Annual Salary from $30,000 to $50,000

SIC	Industry
02	Agriculture Production Livestock
13	Oil and Gas Extraction
16	Heavy Construction, Ex. Building
17	Special Trade Contractors
20	Food and Kindred Products
24	Lumber and Wood Products, except Furniture
25	Furniture and Fixtures
26	Paper and Allied Products
29	Petroleum Refining and Related
30	Rubber and Misc. Plastics Products
32	Stone, Clay, and Glass Products
33	Primary Metal Industries
34	Fabricated Metal Products
39	Miscellaneous Manufacturing Industries
45	Transportation by Air
51	Wholesale Trade-Nondurable Goods
55	Automotive Dealers & Service Stations
57	Furniture and Home furnishings
60	Depository Institutions
65	Real Estate
73	Business Services
75	Auto Repair, Services, and Parking
76	Miscellaneous Repair Services
80	Health Services
81	Legal Services
82	Educational Services
86	Membership Organizations
89	Miscellaneous Services
99	Nonclassifiable Establishments

Montgomery County High Income Industries
Average Annual Salary greater than $50,000

SIC	Industry
14	Nonmetallic Minerals, except Fuels
15	General Building Contractors
27	Printing and Publishing
28	Chemicals and Allied Products
35	Industrial Machinery and Equipment
36	Electronic & Other Electronic Equipment
37	Transportation Equipment
38	Instruments and Related Products
44	Water Transportation
48	Communications
49	Electric, Gas, and Sanitary Services
50	Wholesale Trade-Durable Goods
61	Nondepository Institutions
62	Security and Commodity Brokers
63	Insurance Carriers
64	Insurance Agents, Brokers, & Service
67	Holding and Investment Offices
70	Hotels and Other Lodging Places
87	Engineering & Management Services

Maryland Sectoral Composition

Industry	2000:Q1 Employment	2001:Q1 Employment	One Year Change in Employment *Absolute*	One Year Change in Employment *Percentage*	2001:Q1 Establishments	Average Weekly Wage
AGGREGATE	2,338,068	2,379,048	40,980	1.8%	139,384	$735
PUBLIC SECTOR	436,700	444,605	7,905	1.8%	1,811	$811
Federal Government	127,529	125,708	-1,821	-1.4%	863	$1,033
Local Government	216,022	221,718	5,696	2.6%	559	$677
State Government	93,149	97,179	4,030	4.3%	389	$828
PRIVATE SECTOR	1,901,368	1,934,443	33,075	1.7%	137,573	$718
Services	770,758	790,406	19,648	2.5%	61,694	$705
Retail Trade	426,243	429,854	3,611	0.8%	25,206	$380
Finance, Insurance & Real Estate	136,401	140,888	4,487	3.3%	11,944	$1,166
Construction	147,503	152,343	4,840	3.3%	15,537	$746
Wholesale Trade	112,047	112,417	370	0.3%	10,290	$1,000
Transportation, Comm. & Utilities	108,997	110,295	1,298	1.2%	5,440	$914
Durable Manufacturing	89,223	88,812	-411	-0.5%	2,401	$1,018
Nondurable Manufacturing	89,537	88,368	-1,169	-1.3%	2,195	$857
Agriculture	19,277	19,621	344	1.8%	2,785	$459
Mining	1,382	1,440	58	4.2%	83	$913

Source: Bureau of Labor Statistics, ES-202

Maryland Sectoral Composition

Industry	2000:Q2 Employment	2001:Q2 Employment	One Year Change in Employment *Absolute*	*Percentage*	2001:Q2 Establishments	Average Weekly Wage
AGGREGATE	2,400,528	2,422,213	21,593	0.9%	138,878	$716
PUBLIC SECTOR	441,337	440,789	-548	-0.1%	1,804	$810
Federal Government	128,096	125,241	-2,855	-2.2%	838	$1,158
Local Government	219,749	223,855	4,106	1.9%	580	$675
State Government	93,492	91,693	-1,799	-1.9%	386	$664
PRIVATE SECTOR	1,959,191	1,981,425	22,142	1.1%	137,074	$695
Services	793,620	812,676	19,056	2.4%	61,371	$704
Retail Trade	440,077	438,190	-1,887	-0.4%	25,296	$381
Finance, Insurance & Real Estate	137,580	140,748	3,168	2.3%	11,929	$989
Construction	156,017	160,058	4,041	2.6%	15,478	$742
Wholesale Trade	114,102	114,100	-2	0.0%	10,091	$979
Transportation, Comm. & Utilities	110,615	110,485	-130	-0.1%	5,405	$849
Durable Manufacturing	90,653	89,355	-1,298	-1.4%	2,414	$949
Nondurable Manufacturing	90,032	89,332	-700	-0.8%	2,190	$833
Agriculture	25,099	24,992	-107	-0.4%	2,812	$478
Mining	1,396	1,488	92	6.6%	87	$918

Source: Bureau of Labor Statistics, ES-202

* Data not available because of confidentiality

Maryland Industries

Industry	SIC	2000:Q1 Employment	2001:Q1 Employment	One Year Change in Employment Absolute	One Year Change in Employment Percentage	2001:Q1 Establishments	Average Weekly Wage
Agricultural Production	01	1,628	1,512	-116	-7.13%	222	$441
Agriculture Production Livestock	02	1,265	1,249	-16	-1.28%	120	$426
Agricultural Services	07	16,212	16,703	491	3.03%	2,399	$463
Forestry	08	83	69	-14	-16.40%	20	$414
Fishing, Hunting and Trapping	09	89	88	-1	-1.64%	24	$590
Coal Mining	12	503	483	-20	-4.04%	20	$822
Oil and Gas Extraction	13	113	119	6	5.02%	14	$1,270
Nonmetallic Minerals, except Fuels	14	766	839	73	9.51%	48	$826
General Building Contractors	15	35,386	35,936	550	1.55%	5,283	$821
Heavy Construction, Ex. Building	16	12,183	11,718	-465	-3.82%	631	$713
Special Trade Contractors	17	99,934	104,689	4,755	4.76%	9,624	$726
Food and Kindred Products	20	21,076	20,781	-295	-1.40%	316	$740
Tobacco Products	21	*	*	*	*	*	*
Textile Mill Products	22	2,078	2,173	95	4.59%	77	$636
Apparel and Other Textile Products	23	3,873	3,304	-569	-14.69%	161	$491
Lumber and Wood Products, except Furniture	24	4,671	5,069	398	8.51%	300	$510
Furniture and Fixtures	25	3,269	3,205	-64	-1.97%	125	$567
Paper and Allied Products	26	6,816	6,556	-260	-3.82%	61	$742
Printing and Publishing	27	29,416	29,512	96	0.33%	1,158	$839
Chemicals and Allied Products	28	14,366	14,230	-136	-0.95%	231	$1,321
Petroleum Refining and Related	29	1,036	1,010	-26	-2.49%	35	$899
Rubber and Misc. Plastics Products	30	9,683	9,537	-146	-1.50%	143	$742
Leather and Leather Products	31	1,193	1,265	72	6.00%	15	$699
Stone, Clay, and Glass Products	32	5,721	5,589	-132	-2.31%	179	$804
Primary Metal Industries	33	7,096	6,857	-239	-3.36%	83	$1,041
Fabricated Metal Products	34	9,597	9,917	320	3.34%	331	$725
Industrial Machinery and Equipment	35	16,344	15,783	-561	-3.43%	444	$1,065
Electronic & Other Electronic Equipment	36	14,917	15,190	273	1.83%	276	$1,204
Transportation Equipment	37	12,026	12,071	45	0.37%	207	$1,166
Instruments and Related Products	38	13,136	12,636	-500	-3.81%	203	$1,399
Miscellaneous Manufacturing Industries	39	2,446	2,496	50	2.06%	252	$614
Local and Interurban Passenger Transit	41	9,214	9,521	307	3.34%	767	$360
Trucking and Warehousing	42	28,499	29,103	604	2.12%	2,256	$590
Water Transportation	44	3,892	3,963	71	1.83%	294	$786
Transportation by Air	45	17,388	18,581	1,193	6.86%	238	$738
Pipelines, except Natural Gas	46	*	*	*	*	*	*
Transportation Services	47	5,664	5,494	-170	-2.99%	799	$701
Communications	48	31,433	31,691	258	0.82%	824	$1,330
Electric, Gas, and Sanitary Services	49	12,907	11,941	-966	-7.49%	263	$1,474
Wholesale Trade-Durable Goods	50	69,263	69,374	111	0.16%	7,040	$1,101
Wholesale Trade-Nondurable Goods	51	42,784	43,043	259	0.61%	3,251	$838
Building Materials & Garden Supplies	52	16,648	16,699	51	0.31%	908	$488
General Merchandise Stores	53	46,988	48,055	1,067	2.27%	688	$316
Food Stores	54	66,850	66,953	103	0.15%	2,459	$423
Automotive Dealers & Service Stations	55	43,720	42,604	-1,116	-2.55%	2,655	$634
Apparel and Accessory Stores	56	22,992	22,971	-21	-0.09%	1,658	$280
Furniture and Home furnishings	57	23,270	23,357	87	0.37%	2,410	$656
Eating and Drinking Places	58	139,708	141,311	1,603	1.15%	7,847	$239
Miscellaneous Retail	59	66,067	67,904	1,837	2.78%	6,580	$401
Depository Institutions	60	31,893	30,132	-1,761	-5.52%	1,805	$767
Nondepository Institutions	61	16,503	20,146	3,643	22.07%	1,311	$1,119
Security and Commodity Brokers	62	13,141	14,525	1,384	10.53%	749	$2,789
Insurance Carriers	63	24,248	25,568	1,320	5.45%	1,075	$1,321
Insurance Agents, Brokers, & Service	64	12,764	12,581	-183	-1.44%	2,018	$1,061
Real Estate	65	35,549	35,480	-69	-0.19%	4,574	$775
Holding and Investment Offices	67	2,303	2,456	153	6.65%	412	$1,533
Hotels and Other Lodging Places	70	23,492	23,501	9	0.04%	637	$768
Personal Services	72	28,700	28,678	-22	-0.08%	3,854	$355
Business Services	73	210,009	220,864	10,855	5.17%	13,454	$753
Auto Repair, Services, and Parking	75	24,323	25,122	799	3.29%	3,509	$565
Miscellaneous Repair Services	76	6,365	6,081	-284	-4.46%	1,179	$642
Motion Pictures	78	6,771	7,061	290	4.29%	602	$288
Amusement & Recreation Services	79	24,982	25,580	598	2.39%	1,817	$309
Health Services	80	193,804	194,491	687	0.35%	9,060	$689
Legal Services	81	16,087	16,239	152	0.94%	3,015	$949
Educational Services	82	41,465	42,238	773	1.87%	1,199	$687
Social Services	83	60,628	62,614	1,986	3.28%	3,367	$411
Museums, Botanical, Zoological Gardens	84	1,678	1,751	73	4.33%	85	$415
Membership Organizations	86	16,337	16,286	-51	-0.31%	1,714	$579
Engineering & Management Services	87	104,714	108,689	3,975	3.80%	10,025	$1,075
Private Households	88	10,864	10,594	-270	-2.49%	8,000	$264
Miscellaneous Services	89	539	616	77	14.31%	178	$972
Nonclassifiable Establishments	99	12,208	14,230	2,022	16.56%	7,332	$773

Source: Bureau of Labor Statistics, ES-202

* Data not available because of confidentiality

Maryland High-Tech Industries

Industry	SIC	2000: Q1 Employment	2001: Q1 Employment	One Year Change in Employment *Absolute*	*Percentage*	2001: Q1 Establishments	Average Weekly Wage
Aerospace		76,212	77,692	1,480	1.9%	2,283	$1,143
Ordinance & Accessories, NEC	348	354	351	-3	-0.7%	4	$748
Communications Equipment	366	7,836	7,883	47	0.6%	80	$1,424
Aircraft and Parts	372	861	868	7	0.8%	14	$1,161
Guided Missiles, Space Vehicles, Parts	376	4,174	4,173	-1	0.0%	16	$1,589
Search & Navigation Equipment	381	9,509	9,426	-83	-0.9%	23	$1,497
Air Transportation, Scheduled	451	14,550	15,497	947	6.5%	127	$734
Air Transportation, Nonscheduled	452	155	165	10	6.3%	36	$667
Airports, Flying Fields, and Services	458	2,683	2,890	207	7.7%	71	$744
Miscellaneous Transportation Services	478	799	752	-47	-5.9%	66	$960
Cable and Other Pay TV Services	484	4,570	4,792	222	4.9%	71	$1,305
Communication Services, NEC	489	1,666	767	-899	-53.9%	65	$3,115
Engineering & Architectural Services	871	29,055	30,127	1,072	3.7%	1,711	$1,080
Healthcare		201,278	201,484	206	0.1%	9,138	$704
Medical Service & Health Insurance	632	7,473	8,105	632	8.5%	94	$1,009
Offices & Clinics of Medical Doctors	801	41,058	42,578	1,520	3.7%	4,243	$943
Offices and Clinics of Dentists	802	12,996	13,062	66	0.5%	2,215	$646
Offices of Osteopathic Physicians	803	87	85	-2	-2.8%	13	$699
Offices of Other Health Practitioners	804	8,639	8,267	-372	-4.3%	1,361	$521
Nursing & Personal Care Facilities	805	32,746	32,006	-740	-2.3%	335	$506
Hospitals	806	80,477	80,163	-314	-0.4%	83	$679
Medical & Dental Laboratories	807	3,753	3,097	-656	-17.5%	236	$766
Home Health Care Services	808	7,109	7,657	548	7.7%	222	$480
Health & Allied Services, NEC	809	6,940	6,464	-476	-6.9%	335	$617
Health Industry Products (Biotech)		33,844	34,033	189	0.6%	1,211	$1,256
Drugs	283	4,451	4,606	155	3.5%	71	$1,792
Miscellaneous Chemical Products	289	1,152	1,179	27	2.4%	45	$1,094
Measuring and Controlling Devices	382	2,026	1,958	-68	-3.4%	98	$1,300
Research, Development & Testing Servic	873	26,215	26,290	75	0.3%	997	$1,166
Information Technology		67,518	73,172	5,654	8.4%	5,788	$1,334
Computer & Office Equipment	357	1,273	1,305	32	2.5%	37	$1,332
Electronic Components & Accessories	367	4,041	4,292	251	6.2%	83	$995
Computer & Data Processing Services	737	60,114	65,406	5,292	8.8%	5,473	$1,375
Research, Development & Testing Servic	824	2,090	2,168	78	3.8%	194	$794
High Tech Manufacturing		45,313	45,002	-311	-0.7%	1,048	$1,140
Industrial Machinery Equipment	35	16,344	15,952	-392	-2.4%	463	$1,074
Electronic & Other Equipment	36	14,917	14,961	44	0.3%	275	$1,180
Transportation Equipment	37	12,026	12,131	105	0.9%	212	$1,151
Instruments Manufacturing	382	2,026	1,958	-68	-3.4%	98	$1,300
Telecommunications		39,268	38,943	-325	-0.8%	905	$1,354
Communications Equipment	366	7,836	7,883	47	0.6%	80	$1,424
Telephone Communications	481	20,741	20,889	148	0.7%	584	$1,303
Telegraph & Other Communications	482	259	292	33	12.6%	12	$1,133
Radio & Television Broadcasting	483	4,196	4,320	124	3.0%	93	$1,228
Cable & Other Pay TV Services	484	4,570	4,792	222	4.9%	71	$1,305
Communication Services, NEC	489	1,666	767	-899	-53.9%	65	$3,115

Source: Bureau of Labor Statistics, ES-202

* Data not available because of confidentiality

United States Sectoral Composition

(employment in thousands)

Industry	2000:Q1 Employment	2001:Q1 Employment	One Year Change in Employment *Absolute*	*Percentage*	Average Weekly Wage
AGGREGATE	123,998	125,628	1,631	1.3%	NA
PUBLIC SECTOR	20,377	20,553	176	0.9%	NA
Federal Government	2,644	2,598	-46	-1.7%	NA
Local Government	13,056	13,243	187	1.4%	NA
State Government	4,677	4,712	35	0.7%	NA
PRIVATE SECTOR	103,621	105,075	1,455	1.4%	$478
Services	35,863	36,809	946	2.6%	$465
Retail Trade	22,795	23,053	258	1.1%	$273
Finance, Insurance & Real Estate	6,050	6,069	19	0.3%	$556
Construction	6,194	6,379	186	3.0%	$692
Wholesale Trade	6,920	7,013	93	1.3%	$590
Transportation, Comm. & Utilities	6,886	7,045	158	2.3%	$633
Durable Manufacturing	11,070	11,000	-70	-0.6%	$616
Nondurable Manufacturing	7,321	7,169	-151	-2.1%	$566
Agriculture	NA	NA	NA	NA	NA
Mining	522	539	17	3.2%	$751

US Employment in Thousands

Source: Bureau of Commerce, BLS-790

United States Sectoral Composition

(employment in thousands)

Industry	2000:Q2 Employment	2001:Q2 Employment	One Year Change in Employment *Absolute*	*Percentage*	Average Weekly Wage
AGGREGATE	131,544	132,377	833	0.6%	NA
PUBLIC SECTOR	21,163	21,164	1	0.0%	NA
Federal Government	2,881	2,611	-270	-9.4%	NA
Local Government	13,365	13,569	204	1.5%	NA
State Government	4,917	4,984	67	1.4%	NA
PRIVATE SECTOR	110,381	111,213	832	0.8%	$487
Services	40,315	41,009	694	1.7%	$477
Retail Trade	23,091	23,289	198	0.9%	$282
Finance, Insurance & Real Estate	7,530	7,599	69	0.9%	$580
Construction	6,523	6,709	186	2.9%	$696
Wholesale Trade	6,982	7,034	52	0.7%	$607
Transportation, Comm. & Utilities	6,963	7,087	124	1.8%	$641
Durable Manufacturing	11,111	10,844	-267	-2.4%	$607
Nondurable Manufacturing	7,333	7,088	-245	-3.3%	$559
Agriculture	NA	NA	NA	NA	NA
Mining	533	554	21	3.9%	$766

US Employment in Thousands

Source: Bureau of Commerce, BLS-790

United States High-Tech Industries

(employment in thousands)

Industry	SIC	2000: Q1 Employment	2001: Q1 Employment	One Year Change in Employment *Absolute*	*Percentage*	Average Weekly Wage
Aerospace		3,415	3,536	120	3.5%	N/A
Ordinance & Accessories, NEC	348	39	38	-1	-3.3%	$640
Communications Equipment	366	272	276	4	1.4%	$589
Aircraft and Parts	372	467	464	-3	-0.6%	$914
Guided Missiles, Space Vehicles, Parts	376	88	83	-5	-5.8%	$906
Search & Navigation Equipment	381	154	158	4	2.5%	$717
Air Transportation, Scheduled	451	1,059	1,103	43	4.1%	N/A
Air Transportation, Nonscheduled	452	N/A	N/A	N/A	N/A	N/A
Airports, Flying Fields, and Services	458	143	150	7	4.8%	N/A
Miscellaneous Transportation Services	478	N/A	N/A	N/A	N/A	N/A
Cable and Other Pay TV Services	484	209	227	18	8.5%	$667
Communication Services, NEC	489	N/A	N/A	N/A	N/A	N/A
Engineering & Architectural Services	871	984	1,038	54	5.5%	$817
Healthcare		10,000	10,184	184	1.8%	N/A
Medical Service & Health Insurance	632	381	387	7	1.7%	$659
Offices & Clinics of Medical Doctors	801	1,905	1,954	49	2.6%	$522
Offices and Clinics of Dentists	802	676	694	18	2.7%	$446
Offices of Osteopathic Physicians	803	N/A	N/A	N/A	N/A	N/A
Offices of Other Health Practitioners	804	434	448	13	3.0%	$399
Nursing & Personal Care Facilities	805	1,789	1,805	15	0.9%	$362
Hospitals	806	3,971	4,041	70	1.8%	$598
Medical & Dental Laboratories	807	206	212	6	3.0%	N/A
Home Health Care Services	808	637	642	5	0.8%	$373
Health & Allied Services, NEC	809	N/A	N/A	N/A	N/A	N/A
Health Industry Products (Biotech)		1,323	1,379	57	4.3%	N/A
Drugs	283	308	324	16	5.1%	$776
Miscellaneous Chemical Products	289	93	90	-3	-2.7%	$748
Measuring and Controlling Devices	382	296	312	17	5.7%	$612
Research, Development & Testing Service:	873	626	653	27	4.3%	$704
Information Technology		3,153	3,367	214	6.8%	N/A
Computer & Office Equipment	357	361	370	9	2.5%	$685
Electronic Components & Accessories	367	656	708	52	7.9%	$588
Computer & Data Processing Services	737	2,038	2,188	149	7.3%	$881
Research, Development & Testing Service:	824	98	102	4	3.6%	N/A
High Tech Manufacturing		1,858	1,923	66	3.5%	N/A
Industrial Machinery Equipment	35	2,118	2,106	-12	-0.6%	$656
Electronic & Other Equipment	36	1,689	1,724	35	2.1%	$567
Transportation Equipment	37	1,869	1,775	-94	-5.0%	$773
Instruments Manufacturing	382	296	312	17	5.7%	$612
Telecommunications		5,677	5,606	-71	-1.2%	N/A
Communications Equipment	366	272	276	4	1.4%	$589
Telephone Communications	481	1,122	1,164	42	3.7%	$758
Telegraph & Other Communications	482	N/A	N/A	N/A	N/A	N/A
Radio & Television Broadcasting	483	254	256	2	0.9%	$669
Cable & Other Pay TV Services	484	209	227	18	8.5%	$667
Communication Services, NEC	489	N/A	N/A	N/A	N/A	N/A

US Employment in Thousands

Source: Bureau of Labor Statistics, 790 Series

* Data not available because of confidentiality

United States Industries

(employment in thousands)

Industry	SIC	2000:Q1 Employment	2001:Q1 Employment	One Year Change in Employment Absolute	Percentage	Average Weekly Wage
Agricultural Services	07	680	701	21	3.03%	$362
Metal Mining	10	41	38	-3	-6.36%	$857
Coal Mining	12	80	76	-4	-5.39%	$884
Oil and Gas Extraction	13	296	322	27	8.96%	$726
Nonmetallic Minerals, except Fuels	14	106	103	-3	-2.74%	$683
General Building Contractors	15	1,447	1,476	29	1.98%	$664
Heavy Construction, Ex. Building	16	777	791	14	1.78%	$687
Special Trade Contractors	17	3,969	4,112	143	3.60%	$701
Food and Kindred Products	20	1,665	1,659	-7	-0.40%	$521
Tobacco Products	21	36	33	-3	-8.33%	$832
Textile Mill Products	22	534	501	-33	-6.15%	$460
Apparel and Other Textile Products	23	639	587	-52	-8.17%	$349
Lumber and Wood Products, except Furniture	24	828	793	-35	-4.22%	$478
Furniture and Fixtures	25	552	552	0	-0.02%	$465
Paper and Allied Products	26	659	650	-10	-1.46%	$698
Printing and Publishing	27	1,543	1,530	-13	-0.82%	$556
Chemicals and Allied Products	28	1,035	1,037	2	0.17%	$781
Petroleum Refinining and Related	29	123	123	0	-0.16%	$988
Rubber and Misc. Plastics Products	30	1,015	984	-31	-3.07%	$544
Leather and Leather Products	31	71	67	-5	-6.72%	$385
Stone, Clay, and Glass Products	32	561	563	2	0.29%	$614
Primary Metal Industries	33	700	683	-18	-2.53%	$731
Fabricated Metal Products	34	1,521	1,525	4	0.26%	$582
Industrial Machinery and Equipment	35	2,119	2,123	4	0.21%	$656
Electronic & Other Electronic Equipment	36	1,685	1,735	51	3.01%	$567
Transportation Equipment	37	1,873	1,769	-105	-5.58%	$773
Instruments and Related Products	38	843	869	27	3.18%	$603
Miscellaneous Manufacturing Industries	39	389	389	0	-0.10%	$454
Railroad Transportation	40	235	226	-9	-3.79%	#N/A
Local and Interurban Passenger Transit	41	484	487	3	0.60%	$415
Trucking and Warehousing	42	1,806	1,833	27	1.52%	$567
Water Transportation	44	178	190	12	6.46%	#N/A
Transportation by Air	45	1,245	1,300	55	4.44%	#N/A
Pipelines, except Natural Gas	46	14	14	0	0.74%	$976
Transportation Services	47	460	474	14	3.04%	$546
Communications	48	1,610	1,676	66	4.09%	$732
Electric, Gas, and Sanitary Services	49	855	845	-10	-1.15%	$904
Wholesale Trade-Durable Goods	50	4,152	4,178	26	0.63%	$627
Wholesale Trade-Nondurable Goods	51	2,768	2,835	67	2.42%	$539
Building Materials & Garden Supplies	52	962	956	-6	-0.62%	$410
General Merchandise Stores	53	2,872	2,815	-58	-2.01%	$270
Food Stores	54	3,491	3,521	30	0.87%	$286
Automotive Dealers & Service Stations	55	2,366	2,393	27	1.12%	$459
Apparel and Accessory Stores	56	1,174	1,224	50	4.28%	$234
Furniture and Home furnishings	57	1,121	1,155	34	3.03%	$411
Eating and Drinking Places	58	7,760	7,850	90	1.16%	$175
Miscellaneous Retail	59	3,050	3,140	90	2.96%	$307
Depository Institutions	60	2,042	2,022	-20	-0.99%	$424
Nondepository Institutions	61	694	676	-18	-2.65%	$595
Security and Commodity Brokers	62	717	774	57	7.98%	#N/A
Insurance Carriers	63	1,600	1,585	-16	-0.97%	$685
Insurance Agents, Brokers, & Service	64	756	756	0	0.00%	#N/A
Holding and Investment Offices	67	240	256	16	6.61%	#N/A
Hotels and Other Lodging Places	70	1,759	1,837	78	4.42%	#N/A
Personal Services	72	1,293	1,312	19	1.43%	#N/A
Business Services	73	9,445	9,664	219	2.32%	$484
Auto Repair, Services, and Parking	75	1,216	1,280	64	5.30%	$424
Miscellaneous Repair Services	76	362	361	-2	-0.41%	$545
Motion Pictures	78	591	593	2	0.32%	$470
Amusement & Recreation Services	79	1,453	1,524	71	4.88%	$270
Health Services	80	10,008	10,188	180	1.80%	$503
Legal Services	81	1,002	1,012	11	1.06%	$712
Social Services	83	2,840	2,969	129	4.56%	$315
Museums, Botanical, Zoological Gardens	84	95	99	4	4.31%	#N/A
Membership Organizations	86	2,430	2,452	21	0.88%	#N/A
Engineering & Management Services	87	3,318	3,468	151	4.54%	$715
Miscellaneous Services	89	51	50	-1	-1.38%	$667
Administration of Economic Programs	96	31	32	0	0.64%	#N/A

Source: Department of Commerce, BLS-790

Appendix 2

Federal Impact Tables

Prepared by the Montgomery County Department of Park & Planning, M-NCPPC
Procurement Information based upon data supplied by the Federal Procurement Data Center

Comparison of General Services Administration Leased Space by Agency
December 2000 and March 2002
Montgomery County, Maryland

Agency	March 2002 Rentable Sq. Ft.	December 2000 Rentable Sq. Ft.	Change Sq. Ft.	Percent Change
Consumer Product Safety Commission	114,354	114,354	0	0.0%
Department of Commerce	1,122,877	1,116,745	6,132	0.5%
Department of Defense	109,342	114,224	-4,882	-4.3%
Department of Energy	170,132	170,132	0	0.0%
Department of Justice	91,725	91,725	0	0.0%
Department of the Interior	0	11,499	-11,499	-100.0%
Department of the Treasury	123,924	123,084	840	0.7%
Department of Transportation	88,612	88,612	0	0.0%
General Services Administration	4,458	4,838	-380	-7.9%
Health and Human Services	4,407,357	4,247,866	159,491	3.8%
Marine Mammal Commission	4,441	4,441	0	0.0%
Nuclear Regulatory Commission	371,606	371,606	0	0.0%
Social Security Administration	22,312	22,312	0	0.0%
Veterans Administration	0	27,376	-27,376	-100.0%
None Listed	3,304	28,500	-25,196	-88.4%
County Total	6,634,444	6,537,314	97,130	1.5%

General Services Administration Leased Space and Annual Rent by Agency
March 2002
Montgomery County, Maryland

Agency	Square Feet	Percent of Total	Annual Rent	Percent of Total
Health and Human Services	4,407,357	66.4%	$80,989,771	62.1%
Department of Commerce	1,122,877	16.9%	$27,043,447	20.7%
Nuclear Regulatory Commission	371,606	5.6%	$8,815,575	6.8%
Department of Energy	170,132	2.6%	$2,841,362	2.2%
Department of the Treasury	123,924	1.9%	$2,282,010	1.7%
Consumer Product Safety Commission	114,354	1.7%	$2,351,710	1.8%
Department of Defense	109,342	1.6%	$1,444,885	1.1%
Department of Justice	91,725	1.4%	$1,795,603	1.4%
Department of Transportation	88,612	1.3%	$2,151,169	1.6%
Social Security Administration	22,312	0.3%	$459,559	0.4%
General Services Administration	4,458	0.1%	$103,096	0.1%
Marine Mammal Commission	4,441	0.1%	$96,668	0.1%
None Listed	3,304	0.0%	$33,461	0.0%
County Total	6,634,444	100.0%	$130,408,315	100.0%

Source: General Services Administration, NCR Space Inventory and NCR Lease Inventory, March 2002.

Montgomery County Department of Park and Planning, Research and Technology Center.

Comparison of General Services Administration Leased Space by Area
December 2000 and March 2002
Montgomery County, Maryland

Area	March 2002 Rentable Sq. Ft.	December 2000 Rentable Sq. Ft.	Change Sq. Ft.	Percent Change
Bethesda	1,040,518	1,040,030	488	0.0%
Gaithersburg	450,245	450,245	0	0.0%
Germantown	226,301	226,301	0	0.0%
Rockville	3,633,735	3,504,682	129,053	3.7%
Silver Spring	1,239,348	1,271,759	-32,411	-2.5%
Wheaton	44,297	44,297	0	0.0%
County Total	6,634,444	6,537,314	97,130	1.5%

General Services Administration Leased Space and Annual Rent by Area
March 2002
Montgomery County, Maryland

Area	Square Feet	Percent of Total	Annual Rent	Percent of Total
Rockville	3,633,735	54.8%	$69,302,754	53.1%
Silver Spring	1,239,348	18.7%	$29,236,138	22.4%
Bethesda	1,040,518	15.7%	$23,177,447	17.8%
Gaithersburg	450,245	6.8%	$4,307,443	3.3%
Germantown	226,301	3.4%	$3,664,279	2.8%
Wheaton	44,297	0.7%	$720,254	0.6%
Grand Total	6,634,444	100.0%	$130,408,315	100.0%

Source: General Services Administration, NCR Space Inventory and NCR Lease Inventory, March 2002.

Montgomery County Department of Park and Planning, Research and Technology Center.

General Service Administration's Lease Expirations
by Expiration Year, Rentable Space, and Annual Rent
Montgomery County, Maryland

Year Lease Expires	Rentable Space (Sq. Ft.)	Percent of Total	Cumulative Percent	Annual Rent	Percent of Total	Cumulative Percent
2002	242,067	3.6%	3.6%	$6,558,218	5.0%	5.0%
2003	640,690	9.7%	13.3%	$10,213,495	7.8%	12.9%
2004	765,814	11.5%	24.8%	$12,719,251	9.8%	22.6%
2005	1,256,151	18.9%	43.8%	$22,354,224	17.1%	39.8%
2006	116,815	1.8%	45.5%	$1,530,371	1.2%	40.9%
2007	199,807	3.0%	48.6%	$3,512,591	2.7%	43.6%
2008	54,583	0.8%	49.4%	$1,437,111	1.1%	44.7%
2009	552,855	8.3%	57.7%	$15,470,864	11.9%	56.6%
2010	1,566,857	23.6%	81.3%	$25,743,682	19.7%	76.3%
2011	111,944	1.7%	83.0%	$3,331,696	2.6%	78.9%
2013	1,126,861	17.0%	100.0%	$27,536,812	21.1%	100.0%
Totals	6,634,444	100.0%		$130,408,315	100.0%	

Source: General Services Administration, NCR Space Inventory and NCR Lease Inventory, March 2002.
Montgomery County Department of Park and Planning, Research and Technology Center.

General Services Administration Leased Space, March 2002
by Year of Lease Expiration and Agency
Montgomery County, Maryland

Year of Expiration	Agency	Annual Rent	Rentable SF
2002	Department of Commerce	$1,041,233	70,041
	Department of Defense	$497,273	31,498
	Department of the Treasury	$1,524,925	75,873
	Health and Human Services	$3,354,175	56,948
	Social Security Administration	$140,613	7,707
2002 Total		$6,558,218	242,067
2003	Consumer Product Safety Commission	$2,206,950	111,054
	Department of Commerce	$840,431	35,827
	Department of Defense	$321,683	37,584
	Department of the Treasury	$622,443	41,345
	General Services Administration	$33,714	1,600
	Health and Human Services	$6,188,274	413,280
2003 Total		$10,213,495	640,690
2004	Department of Commerce	$217,924	11,102
	Department of Defense	$108,417	3,564
	Health and Human Services	$12,359,450	747,844
	None Listed	$33,461	3,304
2004 Total		$12,719,251	765,814
2005	Department of Commerce	$859,708	40,541
	Department of Energy	$1,192,832	84,328
	Department of Justice	$1,795,603	91,725
	Health and Human Services	$18,294,418	1,015,873
	Nuclear Regulatory Commission	$211,662	23,684
2005 Total		$22,354,224	1,256,151
2006	Department of Commerce	$68,698	7,262
	Department of Defense	$226,397	11,413
	Department of the Treasury	$134,642	6,706
	Health and Human Services	$685,020	72,388
	Marine Mammal Commission	$96,668	4,441
	Social Security Administration	$318,947	14,605
2006 Total		$1,530,371	116,815
2007	Consumer Product Safety Commission	$144,760	3,300
	Health and Human Services	$3,367,831	196,507
2007 Total		$3,512,591	199,807
2008	Health and Human Services	$1,437,111	54,583
2008 Total		$1,437,111	54,583
2009	Department of Energy	$1,648,530	85,804
	Health and Human Services	$13,822,334	467,051
2009 Total		$15,470,864	552,855
2010	Department of Commerce	$7,303,105	270,635
	Department of Defense	$291,114	25,283
	Health and Human Services	$18,149,463	1,270,939
2010 Total		$25,743,682	1,566,857
2011	Health and Human Services	$3,331,696	111,944
2011 Total		$3,331,696	111,944
2013	Department of Commerce	$16,712,349	687,469
	Department of Transportation	$2,151,169	88,612
	General Services Administration	$69,382	2,858
	Nuclear Regulatory Commission	$8,603,913	347,922
2013 Total		$27,536,812	1,126,861
County Total		$130,408,315	6,634,444

Source: General Services Administration, NCR Space Inventory and NCR Lease Inventory, March 2002.
Montgomery County Department of Park and Planning, Research and Technology Center.

General Services Administration Leased Space, March 2002
by Year of Lease Expiration and Area
Montgomery County, Maryland

Year of Expiration	Area	Annual Rent	Rentable Sq.Ft.
2002	Bethesda	$635,460	30,531
	Gaithersburg	$52,125	3,475
	Germantown	$639,024	46,343
	Rockville	$4,829,401	138,020
	Silver Spring	$402,209	23,698
2002 Total		$6,558,218	242,067
2003	Bethesda	$4,092,776	208,042
	Gaithersburg	$1,239,641	75,867
	Rockville	$4,396,395	323,976
	Wheaton	$484,683	32,805
2003 Total		$10,213,495	640,690
2004	Bethesda	$108,417	3,564
	Gaithersburg	$1,033,347	150,000
	Rockville	$11,359,563	601,148
	Silver Spring	$217,924	11,102
2004 Total		$12,719,251	765,814
2005	Bethesda	$8,248,394	405,785
	Gaithersburg	$1,837,570	217,603
	Germantown	$1,192,832	84,328
	Rockville	$10,484,844	521,292
	Silver Spring	$590,584	27,143
2005 Total		$22,354,224	1,256,151
2006	Bethesda	$96,668	4,441
	Germantown	$183,893	9,826
	Rockville	$753,718	79,650
	Silver Spring	$260,522	11,406
	Wheaton	$235,571	11,492
2006 Total		$1,530,371	116,815
2007	Gaithersburg	$144,760	3,300
	Rockville	$2,130,050	105,365
	Silver Spring	$1,237,781	91,142
2007 Total		$3,512,591	199,807
2008	Rockville	$1,437,111	54,583
2008 Total		$1,437,111	54,583
2009	Germantown	$1,648,530	85,804
	Rockville	$13,822,334	467,051
2009 Total		$15,470,864	552,855
2010	Rockville	$18,149,463	1,270,939
	Silver Spring	$7,594,219	295,918
2010 Total		$25,743,682	1,566,857
2011	Bethesda	$1,391,820	40,233
	Rockville	$1,939,876	71,711
2011 Total		$3,331,696	111,944
2013	Bethesda	$8,603,913	347,922
	Silver Spring	$18,932,899	778,939
2013 Total		$27,536,812	1,126,861
Grand Total		$130,408,315	6,634,444

Source: General Services Administration, NCR Space Inventory and NCR Lease Inventory, March 2002.
Montgomery County Department of Park and Planning, Research and Technology Center.

Federal Procurement Federal Fiscal Years 1995 through 2001 by Quarter
Montgomery County, Maryland
Federal Fiscal Years Run October Through September
Procurement in $1,000s

Montgomery County	Quarter				Fiscal Year
	First	Second	Third	Fourth	Total
Montgomery FY1995	$966,629	$710,988	$790,800	$860,162	$3,328,579
Montgomery FY1996	$681,574	$734,269	$714,423	$1,065,226	$3,195,492
Montgomery FY1997	$781,399	$890,056	$579,898	$993,417	$3,244,770
Montgomery FY98	$865,388	$850,533	$723,017	$1,115,159	$3,554,097
Montgomery FY1999	$819,524	$876,636	$654,825	$1,093,341	$3,444,326
Montgomery FY2000	$732,717	$722,299	$707,148	$1,625,508	$3,787,672
Montgomery FY2001	$685,750	$802,892	$670,089	$1,355,902	$3,514,633
Change FY2001-2000	($46,967)	$80,593	($37,059)	($269,606)	($273,039)
% Change	-6.4%	11.2%	-5.2%	-16.6%	-7.2%

Source: Federal Procurement Data Center, General Services Administration.

Montgomery County Park and Planning Department, Research & Technology Center, March, 2002.

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